

# **EXHIBIT A**

POLICY NUMBER: HHC 2000240 01

IL 12 06 04 03

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****TEXAS POLICY CHANGES**

Effective Date of Change: 08/26/2020

Change Endorsement No.:

Named Insured: Odessa Ventures LLC  
 1177 E. 24th Street  
 Brooklyn, NY 11210


The following item(s):

<input type="checkbox"/>	Insured's Name	<input type="checkbox"/>	Insured's Mailing Address
<input type="checkbox"/>	Policy Number	<input type="checkbox"/>	Company
<input type="checkbox"/>	Effective/Expiration Date	<input type="checkbox"/>	Insured's Legal Status/Business of Insured
<input checked="" type="checkbox"/>	Additional Interested Parties	<input type="checkbox"/>	Premium Determination
<input type="checkbox"/>	Limits/Exposures	<input type="checkbox"/>	Coverage Forms and Endorsements
<input type="checkbox"/>	Covered Property/Location Description	<input type="checkbox"/>	Deductibles
<input type="checkbox"/>	Rates	<input type="checkbox"/>	Classification/Class Codes

is (are) changed to read **{See Additional Page(s)}**:

The above amendments result in a change in the premium as follows:

<input type="checkbox"/>	<b>NO CHANGES</b>	<input type="checkbox"/>	<b>TO BE ADJUSTED AT AUDIT</b>	<b>ADDITIONAL PREMIUM</b>	<b>RETURN PREMIUM</b>

Countersigned By: 

(Authorized Agent)

**POLICY CHANGES ENDORSEMENT DESCRIPTION**

It is hereby noted and agreed that below mortgagee/loss payee is added to the policy with 30 days notice of cancellation.

Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA  
110 East 59th Street, 6th Floor  
New York, NY 10022

**REMOVAL PERMIT**

If this policy includes the Commercial Property Coverage Part, or the Capital Assets Program (Output Policy) Coverage Part with all property scheduled on the Scheduled Location Endorsement **OP 14 01**, the following applies with respect to that Coverage Part:

If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.





**COLONY INSURANCE COMPANY**

8720 Stony Point Parkway, Suite 400  
Richmond, VA 23235

**COMMON POLICY DECLARATIONS****POLICY NUMBER:** HHC 2000240 01**PREVIOUS POLICY NUMBER:** HHC 2000240 00

<b>COMPANY NAME</b> Colony Insurance Company 8720 Stony Point Parkway, Suite 400 Richmond, VA 23235	<b>PRODUCER NAME</b> <span style="float: right;">ESLA</span> Stuart Stagner/Programs Plus 9111 Cypress Waters Blvd Ste 350 Coppell, TX 75019
<b>NAMED INSURED:</b> Odessa Ventures LLC	
<b>MAILING ADDRESS:</b> 1177 E. 24th Street Brooklyn, NY 11210	
<b>POLICY PERIOD: FROM</b> 08/26/2020 <b>TO</b> 08/26/2021 <b>AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.</b>	
<b>BUSINESS DESCRIPTION</b> Apartments	

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$13,162.00
COMMERCIAL INLAND MARINE COVERAGE PART	\$250.00
COMMERCIAL PROPERTY COVERAGE PART	\$113,770.00
TERRORISM - CERTIFIED ACTS (GENERAL LIABILITY)	\$390.00
TERRORISM - CERTIFIED ACTS (INLAND MARINE)	\$0.00
TERRORISM - CERTIFIED ACTS (PROPERTY)	\$3,356.00
<b>TOTAL:</b>	<b>\$130,928.00</b>
TOTAL TAXES, SURCHARGES AND FEES (SEE SCHEDULE):	\$7,333.90
<b>TOTAL PAYABLE:</b>	<b>\$138,261.90</b>

**POLICY NUMBER:** HHC 2000240 01**FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):**

See Schedule of Forms and Endorsements.

**Countersigned****By:**

08/26/2020

**(Authorized Representative)**

**SCHEDULE OF TAXES, SURCHARGES AND FEES**

<b>POLICY NUMBER:</b> HHC 2000240 01	<b>EFFECTIVE DATE:</b> 08/26/2020
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Surplus Lines Tax	\$6,386.38
Stamping Fee	\$197.52
Surplus Lines Policy Fee	\$750.00
Total	\$7,333.90

COMMERCIAL PROPERTY  
CP DS 00 10 00**COMMERCIAL PROPERTY COVERAGE PART  
DECLARATIONS PAGE**

POLICY NO. HHC 2000240 01

EFFECTIVE DATE 08/26/2020

☐ "X" If Supplemental  
Declarations Is Attached**NAMED INSURED**

Odessa Ventures LLC

**DESCRIPTION OF PREMISES**

Prem. No.	Bldg. No.	Location, Construction And Occupancy
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See Description of Premises Schedule

**COVERAGES PROVIDED** Insurance At The Described Premises Applies Only For Coverages For Which  
A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinurance*
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See Coverages Provided Schedule

\*If Extra Expense Coverage, Limits On Loss Payment

**OPTIONAL COVERAGES** Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Agreed Value		Replacement Cost (X)		
		Expiration Date	Cov.	Amount	Building	Pers. Prop.

See Optional Coverages Schedule

Inflation Guard (%)	
Bldg.	Pers. Prop.

\*Monthly Limit Of  
IndemnityMaximum Period  
Of Indemnity\*Extended Period  
Of Indemnity

\*Applies to Business Income Only

**MORTGAGEHOLDERS**

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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See Mortgageholders Schedule

**DEDUCTIBLE**

See Property Deductible Forms

**DESCRIPTION OF PREMISES**

Prem. No.	Bldg. No.	Location, Construction And Occupancy
00	00	Woodlands
1	1	5050 Tanglewood Ln. Ector Odessa, TX 79762 Frame Apartments
00	00	Windchase Apartments
2	1	4100 East 50th Street Ector Odessa, TX 79762 Frame Apartments

**COVERAGES PROVIDED** Insurance At The Described Premises Applies Only For Coverages For Which  
A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*
Location Level Coverages					
00 1	00 1	Building	\$16,250,000	Comprehensive	Agreed Value
			\$250,000	Earthquake Sub-Limit Form	None
		Personal Property of Insured	\$25,000	Comprehensive	Agreed Value
		Business Income Including Rental Value	\$3,986,979	Comprehensive	Agreed Value
		Flood	\$250,000		
00 2	00 1	Building	\$7,210,000	Comprehensive	Agreed Value
			\$250,000	Earthquake Sub-Limit Form	None
		Personal Property of Insured	\$25,000	Comprehensive	Agreed Value
		Business Income Including Rental Value	\$1,563,021	Comprehensive	Agreed Value
		Flood	\$250,000		



**OPTIONAL COVERAGES**      **Applicable Only When Entries Are Made In The Schedule Below**

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**Prem. Bldg.****No.      No.**

00      00      Building

1      1

Replacement Cost

Personal Property of Insured

Replacement Cost

Including Stock

00      00      Building

2      1

Replacement Cost

Personal Property of Insured

Replacement Cost

Including Stock

**MORTGAGEHOLDERS**

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
00 1	00 1	Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA 110 East 59th Street, 6th Floor New York, NY 10022
00 2	00 1	Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA 110 East 59th Street, 6th Floor New York, NY 10022

**FORMS APPLICABLE****To All Coverages:**

AP 00 16 (02-08)  
AP 00 21 (02-08)  
HH 00 07 (02-08)  
HH 00 14 (07-12)

**To Specific Premises/Coverages:**

Prem Bldg Coverages

Form Number

No. No.

00	00	Earthquake	HH 00 09 (02-08)
1	1		
		Mortgage Holder Information	CP 12 18 (10-12)
		Flood	AG 00 03 (04-19)
			HH 00 08 (04-19)
		All Coverages	AG 00 01 (01-18)
			AG 00 04 (09-19)
			AP 00 17 (02-08)
			AP 00 18 (02-08)
			AP 00 19 (02-08)
			AP 00 20 (02-08)
			AP 00 28 (02-08)
			AP 00 34 (02-08)
			COMMUNICABLE DISEASE NOTICE
			(04-20)
			CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 04 11 (09-17)
			CP DS 00 (10-00)
			CP P 003 (07-06)
			HH 00 11 (02-08)
			HH 00 12 (02-08)
			HH 00 15 (04-10)
			HH 00 22 (12-19)
			HH 00 26 (04-20)
			IL 09 35 (07-02)
			IRMCP 01 42 (09-19)
00	00	Earthquake	HH 00 09 (02-08)
2	1		
		Mortgage Holder Information	CP 12 18 (10-12)
		Flood	AG 00 03 (04-19)
			HH 00 08 (04-19)
		All Coverages	AG 00 01 (01-18)
			AG 00 04 (09-19)
			AP 00 17 (02-08)
			AP 00 18 (02-08)
			AP 00 19 (02-08)
			AP 00 20 (02-08)
			AP 00 28 (02-08)
			AP 00 34 (02-08)
			COMMUNICABLE DISEASE NOTICE
			(04-20)
			CP 00 90 (07-88)
			CP 01 40 (07-06)
			CP 04 11 (09-17)
			CP DS 00 (10-00)
			CP P 003 (07-06)

**FORMS APPLICABLE****To All Coverages:****To Specific Premises/Coverages:****Prem Bldg Coverages****Form Number****No. No.**00 00 All Coverages  
2 1

HH 00 11 (02-08)

HH 00 12 (02-08)

HH 00 15 (04-10)

HH 00 22 (12-19)

HH 00 26 (04-20)

IL 09 35 (07-02)

IRMCP 01 42 (09-19)

POLICY NUMBER: IHC 2000240 01

COMMERCIAL GENERAL LIABILITY  
CG DS 01 10 01

## COMMERCIAL GENERAL LIABILITY DECLARATIONS

<b>COMPANY NAME</b> Colony Insurance Company	<b>PRODUCER NAME</b> Stuart Stagner/Programs Plus 9111 Cypress Waters Blvd Ste 350 Coppell, TX 75019
<b>NAMED INSURED</b> Odessa Ventures LLC	
<b>MAILING ADDRESS</b> 1177 E. 24th Street Brooklyn, NY 11210	
<b>POLICY PERIOD:</b> FROM 08/26/2020 TO 08/26/2021 AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

LIMITS OF INSURANCE	
EACH OCCURRENCE LIMIT	\$1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$50,000 Any one premises
MEDICAL EXPENSE LIMIT	\$5,000 Any one person
PERSONAL & ADVERTISING INJURY LIMIT	\$1,000,000 Any one person or organization
GENERAL AGGREGATE LIMIT	\$2,000,000
PRODUCTS/COMPLETED OPERATIONS AGGREGATE LIMIT	\$1,000,000

RETROACTIVE DATE (CG 00 02 ONLY)
THIS INSURANCE DOES NOT APPLY TO "BODILY INJURY", "PROPERTY DAMAGE" OR "PERSONAL AND ADVERTISING INJURY" WHICH OCCURS BEFORE THE RETROACTIVE DATE, IF ANY, SHOWN BELOW. RETROACTIVE DATE: _____ (ENTER DATE OR "NONE" IF NO RETROACTIVE DATE APPLIES)

DESCRIPTION OF BUSINESS
<b>FORM OF BUSINESS:</b> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> <input type="checkbox"/> INDIVIDUAL                             <input type="checkbox"/> PARTNERSHIP                         </div> <div> <input type="checkbox"/> JOINT VENTURE                             <input type="checkbox"/> TRUST                         </div> </div> <div style="margin-top: 10px;"> <input checked="" type="checkbox"/> LIMITED LIABILITY COMPANY                             <input type="checkbox"/> ORGANIZATION, INCLUDING A CORPORATION (BUT NOT INCLUDING A PARTNERSHIP, JOINT VENTURE OR LIMITED LIABILITY COMPANY)                         </div>
<b>BUSINESS DESCRIPTION:</b> <u>Apartments</u>

ALL PREMISES YOU OWN, RENT OR OCCUPY	
LOC NO.	ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY
001-001	Woodlands 5050 Tanglewood Ln. Ector Odessa, TX 79762
002-001	Windchase Apartments 4100 East 50th Street Ector Odessa, TX 79762



CLASSIFICATION AND PREMIUM							
LOC NO.	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/Ops	Prod/Comp Ops	Prem/Ops	Prod/Comp Ops
001-001	Apartment Buildings Products-completed operations are subject to the General Aggregate Limit TERRITORY: 006	60010	232 Units	38.498	Incl.	\$8,932	Incl.
	Swimming Pools Products-completed operations are subject to the General Aggregate Limit TERRITORY: 006	48925	1 Each	500.000	Incl.	\$500	Incl.
002-001	Apartment Buildings Products-completed operations are subject to the General Aggregate Limit TERRITORY: 006	60010	80 Units	38.498	Incl.	\$3,080	Incl.
	Swimming Pools Products-completed operations are subject to the General Aggregate Limit TERRITORY: 006	48925	1 Each	500.000	Incl.	\$500	Incl.



STATE TAX OR OTHER (if applicable) <u>Refer to Common Dec</u>	
TOTAL PREMIUM (SUBJECT TO AUDIT)	<u>\$13,552</u>
PREMIUM SHOWN IS PAYABLE:	AT INCEPTION _____ AT EACH ANNIVERSARY _____ (IF POLICY PERIOD IS MORE THAN ONE YEAR AND PREMIUM IS PAID IN ANNUAL INSTALLMENTS)
AUDIT PERIOD (IF APPLICABLE)	<input type="checkbox"/> ANNUALLY <input type="checkbox"/> SEMI-ANNUALLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> MONTHLY

ENDORSEMENTS
ENDORSEMENTS ATTACHED TO THIS POLICY:
<u>See Schedule of Forms and Endorsements</u>
_____
_____
_____

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned:	By:
(Date)	(Authorized Representative)

POLICY NUMBER: HHC 2000240 01

**COMMERCIAL GENERAL  
LIABILITY COVERAGE  
SCHEDULE**

NAMED INSURED Odessa Ventures LLC

EFFECTIVE DATE 08/26/2020

AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS

**ALL PREMISES YOU OWN, RENT OR OCCUPY****See SCHEDULE OF LOCATIONS****CLASSIFICATION AND PREMIUM**

LOC NO.	CLASSIFICATION	CODE NO.	PREMIUM BASE	RATE		ADVANCE PREMIUM	
				Prem/ Ops	Prod/Comp Ops	Prem/ Ops	Prod/Comp Ops
001-001	Apartment Buildings TERRITORY: 006	60010	232 Units	38.498		\$8,932	
	Swimming Pools TERRITORY: 006	48925	1 Each	500.000		\$500	
002-001	Apartment Buildings TERRITORY: 006	60010	80 Units	38.498		\$3,080	
	Swimming Pools TERRITORY: 006	48925	1 Each	500.000		\$500	

**MISCELLANEOUS COVERAGES**Coverage Form(s)/Endorsement(s)  
SEE FORMS LISTPremium  
\$13,552

## SIGNATURE PAGE

IN WITNESS WHEREOF, the company issuing this policy has caused this policy to be signed by its President and its Secretary and countersigned (if required) on the Declarations page by a duly authorized representative of the company. This endorsement is executed by the company stated in the Declarations.

Colony Insurance Company

**President**

A handwritten signature in black ink, appearing to be 'C. C.', written over the Secretary's name.

**Secretary**



## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> HHC 2000240 01	<b>EFFECTIVE DATE:</b> 08/26/2020
---	--------------------------------------

### NUMBER

### TITLE

#### **COMMON**

IL 12 06 (04-03)	Texas Policy Changes
SURPLUS LINES	TEXAS SURPLUS LINES FORM
VERBIAGE (02-08)	
IL DS 00 (09-08)	Common Policy Declarations
SIGCIC (10-13)	SIGNATURE PAGE - COLONY INSURANCE
AP 00 05 (02-08)	Schedule of Locations
IL 00 03 (09-07)	CALCULATION OF PREMIUM
IL P 001 (01-04)	U.S. TREASURY DEPARTMENTS OFFICE OF FOREIGN ASSETS CONTROL
PRIVACY NOTICE (04-15)	PRIVACY NOTICE
U094 (04-15)	SERVICE OF SUIT
IL 09 85 (01-15)	Disclosure Pursuant To Terrorism Risk Insurance Act
AP 00 02 (02-08)	Advisory Notice To Policyholders - Mold Exclusion Or Limitation Endorsements
AP 00 01 (02-08)	Important Notice - Lead Exclusion
IL 00 17 (11-98)	Common Policy Conditions
TX IMP NTC (06-15)	TEXAS IMPORTANT NOTICE
IL 00 21 (09-08)	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 01 68 (03-12)	Texas Changes - Duties
IL 01 71 (09-07)	Texas Changes - Loss Payment
IL 02 75 (11-13)	Texas Changes - Cancellation And Nonrenewal Provisions For Casualty Lines And Commercial Package Policies
IL 09 52 (01-15)	Cap on Losses from Certified Acts of Terrorism
AP 00 27 (02-08)	"Mold Or Other Fungi", Wet Or Dry Rot, Or "Bacteria" Exclusion With Additional Limited Coverage
AP 00 25 (02-08)	Asbestos Exclusion
AP 00 26 (02-08)	Computer Random Attack And Denial Of Services Exclusion

#### **PROPERTY**

CP DS 00 (10-00)	Commercial Property Coverage Part Declarations
IL 09 35 (07-02)	EXCLUSION OF CERTAIN COMPUTER RETAINED LOSSES
COMMUNICABLE DISEASE NOTICE (04-20)	EXCLUSION OF LOSS DUE TO COMMUNICABLE DISEASE ADVISORY NOTICE TO POLICYHOLDERS
CP P 003 (07-06)	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS
AP 00 16 (02-08)	Multiple Deductible Form
AP 00 18 (02-08)	Building And Personal Property Coverage Form
AP 00 19 (02-08)	Causes Of Loss Comprehensive Form
AG 00 03 (04-19)	Causes Of Loss - Flood Form
AG 00 04 (09-19)	Windstorm or Hail Loss Conditions Amendment
AP 00 20 (02-08)	BUSINESS INCOME WITHOUT EXTRA EXPENSE
AP 00 21 (02-08)	Protection Plus Property Program
CP 00 90 (07-88)	Commercial Property Conditions
HH 00 07 (02-08)	Texas Causes Of Loss Comprehensive Form
HH 00 08 (04-19)	Flood Coverage Amendment And Limitation
HH 00 09 (02-08)	Causes Of Loss - Earthquake Form
CP 04 11 (09-17)	Protective Safeguards



## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> HHC 2000240 01	<b>EFFECTIVE DATE:</b> 08/26/2020
---	--------------------------------------

### NUMBER

### TITLE

#### **PROPERTY**

HH 00 15 (04-10) Exclusion - Windstorm Or Hail  
 HH 00 14 (07-12) Roof - ACV  
 CP 12 18 (10-12) Loss Payable Provisions  
 HH 00 22 (12-19) MANDATORY BINDING ARBITRATION  
 HH 00 26 (04-20) EXCLUSION OF LOSS DUE TO COMMUNICABLE DISEASE  
 AG 00 01 (01-18) Exclusion of Cosmetic Damage Caused by Windstorm or Hail  
 AP 00 17 (02-08) Important Notice - Asbestos Exclusion - Computer Random Attack And Denial Of Services Exclusion  
 AP 00 28 (02-08) "Earth Movement" Exclusion Of Designated Territories  
 AP 00 34 (02-08) POLLUTION EXCLUSION AMENDMENT  
 HH 00 11 (02-08) Equipment Breakdown Endorsement  
 HH 00 12 (02-08) Equipment Breakdown Endorsement Flood And Earthquake Exclusion  
 CP 01 40 (07-06) Exclusion Of Loss Due To Virus Or Bacteria  
 IRMC 01 42 (09-19) Texas Changes

#### **GENERAL LIABILITY**

CG DS 01 (10-01) Commercial General Liability Declarations  
 AP 00 06 (02-08) Commercial General Liability Coverage Schedule  
 AP 00 14 (02-08) Hired Auto And Non-Owned Auto Liability  
 INFECTIOUS NOTICE (04-20) EXCLUSION OF LOSS DUE TO INFECTIOUS OR COMMUNICABLE DISEASE ADVISORY NOTICE TO POLICYHOLDERS  
 CG P 001 (07-04) REVISIONS TO ADDITIONAL INSURED ENDORSEMENTS ADVISORY NOTICE TO POLICYHOLDERS  
 CG P 010 (12-07) 2017 GENERAL LIABILITY MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS  
 CG 00 01 (04-13) Commercial General Liability Coverage Form  
 AP 00 07 (02-08) Amendment - Non Cumulation Of Each Occurrence Limit And Non Cumulation Of Personal And Advertising Injury Limit  
 AP 00 08 (02-08) Exclusion - All Exposure Related To Conversion Of Use  
 AP 00 09 (02-08) Exclusion - Asbestos  
 AP 00 10 (02-08) Exclusion - Lead  
 HH 00 27 (04-20) INFECTIOUS OR COMMUNICABLE DISEASE EXCLUSION  
 CG 01 03 (06-06) Texas Changes  
 CG 20 26 (04-13) Additional Insured - Designated Person Or Organization  
 CG 21 01 (11-85) Exclusion - Athletic or Sports Participants  
 CG 21 06 (05-14) Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - With Limited Bodily Injury Exception  
 CG 21 36 (03-05) EXCLUSION - NEW ENTITIES  
 CG 21 44 (07-98) Limitation Of Coverage To Designated Premises Or Project  
 CG 21 47 (12-07) EMPLOYMENT RELATED PRACTICES EXCLUSION  
 CG 21 70 (01-15) Cap on Losses From Certified Acts of Terrorism  
 CG 21 76 (01-08) EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM  
 CG 22 24 (07-98) EXCLUSION - INSPECTION, APPRAISAL, AND SURVEY COMPANIES  
 CG 22 34 (07-98) EXCLUSION - CONSTRUCTION MANAGEMENT ERRORS AND OMISSIONS  
 CG 22 45 (04-13) Exclusion - Specified Therapeutic Or Cosmetic Services  
 CG 22 70 (11-85) REAL ESTATE PROPERTY MANAGED

## SCHEDULE OF FORMS AND ENDORSEMENTS

<b>POLICY NUMBER:</b> HHC 2000240 01	<b>EFFECTIVE DATE:</b> 08/26/2020
---	--------------------------------------

**NUMBER**

**TITLE**

### GENERAL LIABILITY

CG 22 76	(07-98)	PROFESSIONAL LIABILITY EXCLUSION - HEATH OR EXERCISE CLUBS OR COMM OPERATED HEALTH OR EXERCISE FACILITIES
CG 24 07	(01-96)	Products/Completed Operations Hazard Redefined
CG 24 10	(07-98)	EXCESS PROVISION - VENDORS
CG 25 04	(03-97)	Designated Location(s) General Aggregate Limit
CG 26 39	(12-07)	TEXAS CHANGES EMPLOYMENT RELATED PRACTICES EXCLUSION
CG 26 46	(04-99)	TEXAS ABUSE OR MOLESTATION EXCLUSION

### INLAND MARINE

AP 00 31	(02-08)	Electronic Data Processing Coverage Part - Declarations
AP 00 32	(02-08)	Electronic Data Processing Coverage Form
CM 00 01	(09-04)	Commercial Inland Marine Conditions
CM 01 12	(09-13)	Texas Changes
CM DS 02	(09-00)	Commercial Inland Marine Declarations

### CRIME

CR 01 99	(10-10)	Texas Changes - Legal Action Against Us
CR 02 47	(12-19)	Texas Changes
CR DS 01	(08-13)	Crime And Fidelity Coverage Part Declarations (Commercial Entities)

POLICY NUMBER: HHC 2000240 01

SCHEDULE OF LOCATIONS			
Location Number	Building Number	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	5050 Tanglewood Ln. Odessa, TX 79762	Woodlands
002	001	4100 East 50th Street Odessa, TX 79762	Windchase Apartments

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**ELECTRONIC DATA PROCESSING COVERAGE PART - DECLARATIONS**

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Policy No. HHC 2000240 01

**LOCATION OF PREMISES:**

Premises No. Location  
See Schedule

**LIMITS OF INSURANCE:**

Premises No.	"EDP Media"	"EDP Equipment"	
		Owned	Property of Others
ALL LOCATIONS		\$25,000	

All Covered Property in transit or while temporarily at locations not shown above or identified in the Coverage Form

Business Income; Business Income Monthly Limitation:

Extra Expense

**DEDUCTIBLES:**

\$500 Applies to direct "loss" of Covered Property by other than Flood or Surface Water.

Applies to direct "loss" of Covered Property by Flood or Surface Water.

Business Income

**COINSURANCE PERCENTAGE:** ☐ 80% ☐ 90% ☐ 100%

**EDP EQUIPMENT VALUATION:**

☒ Replacement Cost ☐ Actual Cash Value ☐ Functional Replacement Cost

**PROPERTY NOT COVERED:**

**FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE**

SEE SCHEDULE OF FORMS AND ENDORSEMENTS.

**PREMIUM FOR THIS COVERAGE PART:**

\$250

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## ELECTRONIC DATA PROCESSING COVERAGE PART - DECLARATIONS

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Policy No. HHC 2000240 01

### LOCATION OF PREMISES:

Premises No.	Location
LOC 001 BLD 001	5050 Tanglewood Ln. Odessa, TX 79762
LOC 002 BLD 001	4100 East 50th Street Odessa, TX 79762



POLICY NUMBER:HHC 2000240 01

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

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**SCHEDULE**

Insurance is provided only with respect to those coverages indicated by a check in the box below.

<u>COVERAGE</u>	<u>ADDITIONAL PREMIUM</u>
<input checked="" type="checkbox"/> Non-Ownership Liability	Included
<input checked="" type="checkbox"/> Hired Auto Liability	\$150

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. HIRED AUTO LIABILITY**

The insurance provided under COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**B. NON-OWNED AUTO LIABILITY**

The insurance provided under COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) applies to "bodily injury" or "property damage" arising out of the use of a "non-owned auto" by any person other than you in the course of your business.

**C. With respect to the insurance provided by this endorsement:**

1. Subparagraphs **b., c., e., g., h., j., k., l., m.** and **n.** of paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) do not apply.
2. The following exclusions are added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to:

- a. "Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

- b. "Bodily injury" to:



- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay the damages because of the injury.

This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
- (2) "Bodily Injury" to domestic "employees" not entitled to workers compensation benefits.

c. "Property damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

D. For the purposes of this endorsement only, WHO IS AN INSURED (Section II) is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You.
2. Any other person using a "hired auto" with your permission.
3. With respect to a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business.
4. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under paragraphs 1., 2. or 3. above.

None of the following is an insured:

1. Any person engaged in the business of his or her employer with respect to "bodily injury" to any co-employee of such person injured in the course of employment;
2. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
3. Any person while employed in or otherwise engaged in performing duties related to the conduct of an "auto business", other than an "auto business" you operate;
4. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
5. Any person or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

E. For the purposes of this endorsement only, the definition of "insured contract" in the DEFINITIONS Section is amended by the addition of the following:

"Insured contract" means:

- g. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
- F. For the purposes of this endorsement only, the following definitions are added to the DEFINITIONS Section:
  - 1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
  - 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers", or members of their households.
  - 3. **"Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.**

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This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

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## **U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.



## **Privacy Policy**

Argo Group US, Inc. ("Argo Group") recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual's nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo's corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

### **Information Collection and Use**

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

### **Information Sharing and Disclosure**

Argo Group does not rent, sell or share your personally identifiable information with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

### **Security**

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual's protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative



access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

**Corrected/Updated Information**

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel  
Argo Group US, Inc.  
P.O. Box 469011  
San Antonio, Texas 78246  
(210) 321-8400

\*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company; Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, Inc.; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutam Insurance Brokers, Inc.; Colony Management Services, Inc.; Argonaut Management Services, Inc.; and Argonaut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SERVICE OF SUIT**

If service of process is to be made upon the Company by way of hand delivery or courier service, delivery should be made to the Company's principal place of business:

Claims Manager  
Colony Insurance Company,  
Colony Specialty Insurance Company, or  
Peleus Insurance Company  
8720 Stony Point Parkway, Suite 400  
Richmond, Virginia 23235

If service of process is to be made upon the Company by way of the U.S. Postal Service, the following mailing address should be used:

General Counsel  
Colony Insurance Company,  
Colony Specialty Insurance Company, or  
Peleus Insurance Company  
P.O. Box 469011  
San Antonio, Texas 78246

Where required by statute, regulation, or other regulatory directive, the Company appoints the Commissioner of Insurance, or other designee specified for that purpose, as its attorney for acceptance of service of all legal process in the state in any action or proceeding arising out of this insurance.

The Commissioner or other designee is requested to forward process to the Company as shown above, or if required in his/her particular state, to a designated resident agent for service of process.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph A.1.a. of this endorsement;  
  
due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
  - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph A.1. of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph A. of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;
- we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. of this endorsement to correct any deficiencies or change any features.



THIS ENDORSEMENT IS ATTACHED TO AND MADE

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

**C. Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



**ADVISORY NOTICE TO POLICYHOLDERS  
MOLD EXCLUSION OR LIMITATION ENDORSEMENTS**

This is a notice provided to you about the exclusion or limitation endorsement that is attached to your policy.

The exclusion or limitation endorsement changes your Commercial Property Coverage Form and/or Inland Marine Coverage Form. No coverage is provided by this Advisory Notice To Policyholders, nor can it be construed to replace any provisions of your policy. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there is any conflict between the policy and this Notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

The areas within the policy that reduce coverage are summarized below. If more than one property or inland marine insuring agreement is part of your policy, then more than one endorsement may apply.

**MOLD OR OTHER FUNGI, WET OR DRY ROT, OR BACTERIA EXCLUSION:**

An endorsement with this title excludes coverage under the applicable insuring agreement in your policy for any mold or other fungi, wet or dry rot, or bacteria loss or damage, unless it is caused by fire and lightning.

**MOLD OR OTHER FUNGI, WET OR DRY ROT, OR BACTERIA EXCLUSION WITH SPECIFIED CAUSE OF LOSS EXCEPTION:**

An endorsement with this title excludes coverage under the applicable insuring agreement in your policy for losses caused by mold or other fungi, wet or dry rot, or bacteria, unless it is a result of certain causes of loss that are specified in the endorsement. This endorsement also adds an exclusion for Seepage or Leakage to exclude for mold or other fungi, wet or dry rot, or bacteria damage and losses caused by any seepage, leakage, presence, or condensation of water, steam, humidity, moisture, or vapor for 14 days or more.

**MOLD OR OTHER FUNGI, WET OR DRY ROT OR BACTERIA EXCLUSION WITH ADDITIONAL LIMITED COVERAGE:**

An endorsement with this title revises the policy to reduce coverage from loss caused by mold or other fungi, wet or dry rot, or bacteria, unless it is caused by fire and lightning. Coverage is subject to a \$15,000 per occurrence and annual aggregate limit per policy, unless the limit is increased by endorsement. This sublimit is part of, not in addition to, the limit of coverage for that property. Otherwise covered losses caused by fungi, wet or dry rot, or bacteria that is a result of fire and lightning are covered up to the policy property limits. If your policy includes business interruption coverage, when a business interruption is attributable to fungi, wet or dry rot, or bacteria, the period of restoration is limited to 30 days (not necessarily consecutive days). When fungi, wet or dry rot, or bacteria prolongs a business interruption that is attributable to other damage, a delay of up to a total of 30 days is covered (regardless of when the delay occurs during the period of restoration). In each case, the 30-day period (or a longer period, if endorsed) represents a reduction in coverage.

## IMPORTANT NOTICE

### LEAD EXCLUSION

THIS NOTICE IS TO INFORM YOU OF AN ENDORSEMENT, EXCLUSION – LEAD, THAT HAS BEEN ADDED TO YOUR COMMERCIAL GENERAL LIABILITY POLICY. THIS ENDORSEMENT RESTRICTS COVERAGE. PLEASE READ IT CAREFULLY.

Endorsement AP 00 10 02 08, Exclusion – Lead, excludes coverage for injury or damage arising out of lead, paint containing lead, or any other material or substance containing lead. This includes any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove or contain lead, paint containing lead, or any other material or substance containing lead.

*Note: If there is a conflict between the referenced endorsement and this summary, the provisions of the endorsement prevail. You should read your coverage form and the endorsement very carefully for complete information on your coverage.*

COMMERCIAL GENERAL LIABILITY  
INFECTIOUS NOTICE 04 2020

## **EXCLUSION OF LOSS DUE TO INFECTIOUS OR COMMUNICABLE DISEASE ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

### **Infectious or Communicable Disease Exclusion HH 00 27 0420**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial General Liability insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any infectious or communicable disease that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial General Liability insurance, including (if any) bodily injury, property damage and personal and advertising injury coverages.



COMMERCIAL PROPERTY  
COMMUNICABLE DISEASE NOTICE 04 2020

## EXCLUSION OF LOSS DUE TO COMMUNICABLE DISEASE ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

### **Exclusion of Loss Due to Communicable Disease HH 00 26 0420**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage to your property caused by or resulting from any communicable disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) real property, personal property, and business interruption coverages.

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## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.



## **IMPORTANT NOTICE**

To obtain information or make a complaint:

You may call Argo Group's toll-free telephone number for information or to make a complaint at:

**1-877-474-8808**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance:

P.O. Box 149104  
Austin, Texas 78714-9104  
Fax #: (512) 490-1007  
Web: <http://www.tdi.texas.gov>  
E-Mail: [consumerprotection@tdi.texas.gov](mailto:consumerprotection@tdi.texas.gov)

## **PREMIUM OR CLAIM DISPUTES**

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

## **ATTACH THIS NOTICE TO YOUR POLICY**

This notice is for information only and does not become part or condition of the attached document.

## **AVISO IMPORTANTE**

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de teléfono gratis de Argo Group para información o para someter una queja al:

**1-877-474-8808**

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de compañías, coberturas, derechos o quejas al:

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104  
Austin, Texas 78714-9104  
Fax #: (512) 490-1007  
Web: <http://www.tdi.texas.gov>  
E-Mail: [consumerprotection@tdi.texas.gov](mailto:consumerprotection@tdi.texas.gov)

## **DISPUTAS POR PRIMAS DE SEGUROS O RECLAMACIONES**

Si tiene una disputa relacionada con su prima de seguro o con una reclamación, usted debe comunicarse con (el agente) (la compañía) (el agente o la compañía) primero. Si la disputa no es resuelta, usted puede comunicarse con el Departamento de Seguros de Texas.

## **UNA E**

IL 00 21 09 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NUCLEAR ENE**

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGE**



IL 01 71 09 07

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES – LOSS PAYMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART

### **A. Loss Payment**

1. With respect to the Crime And Fidelity Coverage Part and Equipment Breakdown Coverage Part, the following conditions are added.
2. With respect to the Commercial Inland Marine Coverage Part, the following conditions replace Item **E. Loss Payment** in the Commercial Inland Marine Loss Conditions:

#### **a. Claims Handling**

- (1) Within 15 days after we receive written notice of claim, we will:
  - (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
  - (b) Begin any investigation of the claim; and
  - (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

- (2) We will notify you in writing as to whether:

- (a) The claim or part of the claim will be paid;
- (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- (c) More information is necessary; or
- (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in **(2)(a)** through **(2)(d)** above, within:

- (i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
- (ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.



b. We will pay for covered loss or damage within 5 business days after:

- (1) We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

**c. Catastrophe Claims**

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **a.** and **b.** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

- (1) Declared a disaster under the Texas Disaster Act of 1975; or
  - (2) Determined to be a catastrophe by the State Board of Insurance.
- d. The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

**B.** With respect to the Commercial Inland Marine Coverage Part the following is added:

We will not be liable for any part of a "loss" that has been paid or made good by others.

IL 02 75 11 13

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES – CANCELLATION AND  
NONRENEWAL PROVISIONS FOR CASUALTY LINES  
AND COMMERCIAL PACKAGE POLICIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
FARM COVERAGE PART – FARM LIABILITY COVERAGE FORM  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This endorsement also modifies insurance provided under the following when written as part of a Commercial Package Policy:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraph 2. of the **Cancellation** Common Policy Condition is replaced by the following:**

**2. We may cancel this policy:**

- a. By mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.**

However, if this policy covers a condominium association, and the condominium property contains at least one residence or the condominium declarations conform with the Texas Uniform Condominium Act, then the notice of cancellation, as described above, will be provided to the first Named Insured 30 days before the effective date of cancellation. We will also provide 30 days' written notice to each unit-owner to whom we issued a certificate or memorandum of insurance, by mailing or delivering the notice to each last mailing address known to us.



IL 09 52 01 15

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

### **A. Cap On Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

### **B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



COMMERCIAL PROPERTY  
CP P 003 07 06

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA ADVISORY NOTICE TO POLICYHOLDERS**

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsement, which applies to your new or renewal policy being issued by us:

### **Exclusion Of Loss Due To Virus Or Bacteria Endorsement CP 01 40 07 06**

This endorsement makes an explicit statement regarding a risk that is not covered under your Commercial Property insurance. It points out that there is no coverage under such insurance for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. The exclusion in this endorsement applies to all coverages provided by your Commercial Property insurance, including (if any) property damage and business income coverages.

Policy Number: IHC 2000240 01

**COMMERCIAL PROPERTY  
FORM AP 00 16 02 08****THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY****MULTIPLE DEDUCTIBLE FORM**

This endorsement modifies insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUILDERS' RISK COVERAGE FORM  
BUSINESS INCOME COVERAGE FORM  
EXTRA EXPENSE COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY  
CAUSES OF LOSS WATER FORM  
CAUSES OF LOSS EARTHQUAKE FORM**

**SCHEDULE**

Notwithstanding any other Deductible provisions to the contrary in the above Coverage Forms, the deductible(s) shown below are applicable to each location covered by this policy individually in the event more than one location is involved in an occurrence that results in a covered loss or losses.

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Deductible</b>	<b>Covered Causes of Loss</b>
001	001	\$25,000	2
		2%	3
		\$25,000	4
		\$25,000	5
002	001	\$25,000	2
		2%	3
		\$25,000	4
		\$25,000	5

For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- 1) All Covered Causes of Loss except Earth Movement and Flood.
- 2) All Covered Causes of Loss except Earth Movement, Flood and Windstorm or Hail.
- 3) Windstorm or Hail.
- 4) Flood.
- 5) Earth Movement.

## BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we, us, and "our" refer to the Company providing this insurance.

Other words and phrases that appear within quotation marks have special meaning. Refer to DEFINITIONS for their meaning.

### A. COVERAGES

#### 1. Property at Your Premises

- a. We will pay for direct physical loss of or damage to Covered Property:
  - (1) If caused by or resulting from any of the Covered Causes of Loss; and
  - (2) If the loss or damage occurs at or within 1000 feet of "covered premises."
- b. If Real Property is indicated in the Declarations, Covered Property, as used in this Coverage Part, means buildings, structures, and other real property that you own, including all property made a permanent part of the building, structure, or real property.
- c. If Personal Property is indicated in the Declarations, Covered Property, as used in this Coverage Part, means:
  - (1) Business personal property that you own;
  - (2) Business personal property that you lease from others if you have a written contractual obligation to insure it;
  - (3) "Personal property of others" while in your care, custody, or control;
  - (4) Personal property (other than vehicles) that belongs to you or your employees, officers, or partners; and
  - (5) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations, or additions;

- (a) Made a part of a building or structure that you occupy and do not own; and
- (b) You acquired or that were made at your own expense but which you cannot legally remove.

#### 2. Accounts Receivable

- a. If your records of accounts receivable are lost or damaged by a Covered Cause of Loss, we will pay:
  - (1) All amounts due from your customers that you are unable to collect;
  - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (3) Collection expenses that are in excess of your normal collection expenses that are made necessary by the loss; and
  - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- b. The following is added under paragraph B. of the Causes of Loss - Comprehensive Form only as respects this coverage.  
We will not pay for loss or damage caused by or resulting from:
  - (1) Alteration, falsification, concealment, or destruction of records of accounts receivable done to conceal the wrongful giving, taking, or withholding of money, securities, or other property. This provision applies only to the extent of the wrongful giving, taking or withholding.
  - (2) Bookkeeping, accounting, or billing errors or omissions.
  - (3) Electrical or magnetic injury, disturbance, or erasure of electronic recordings. But we will pay for direct loss or damage caused by lightning.
  - (4) Errors in machine programming or instructions to machines.

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(5) Operator or programmer error.

(6) Unauthorized instructions to transfer property to any person or to any place.

We will not pay for loss or damage that requires any audit of records of any inventory to prove its factual existence.

c. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used.

(1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs; and

(2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.

d. The following will be deducted from the total amount of accounts receivable, however that amount is established.

(1) The amount of the accounts for which there is no loss or damage;

(2) The amount of the accounts that you are able to re-establish or collect;

(3) An amount to allow for probable bad debts that you are normally unable to collect; and

(4) All unearned interest and service charges.

The most we will pay under this coverage is \$25,000 per occurrence.

### 3. Debris Removal

We will pay your debris removal expenses only if you report them to us in writing within 180 days of the date of direct physical loss or damage.

Debris removal expenses are amounts incurred to remove debris of Covered Property from "covered premises" resulting from any of the Covered Causes of Loss. Debris removal expenses do not include any amounts incurred to:

a. Extract or remove "pollutants" or contaminants from land or water; or

b. Cleanup, remove, restore, or replace polluted land or water.

This coverage is part of and does not increase the Limits of Insurance applicable to Covered Property. But the most we will pay for this coverage is 25% of the sum of the amount we pay for direct physical loss of or damage to Covered Property plus the deductible applicable to the loss or damage. If this amount is not sufficient to pay all the debris removal expenses, we will pay up to an additional amount specified under Limits of Insurance.

### 4. Exhibitions, Expositions, Trade Shows, or Fairs

We will pay for direct physical loss of or damage to your business personal property while at the premises of any exhibition, exposition, trade show, or fair. The loss or damage must be caused by or result from a Covered Cause of Loss.

The most we will pay for loss or damage under this coverage is \$25,000 per occurrence.

### 5. Expediting Expense

We will pay the expediting expenses that you incur as a result of direct physical loss or damage to Covered Property.

Expediting expenses are reasonable extra costs for temporary repairs of and for expediting the repairs or replacement of Covered Property damaged by a Covered Cause of Loss. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include the costs incurred for the temporary rental of property, temporary replacement of damaged property, or expenses recoverable elsewhere in this Coverage Part.

The most we will pay under this coverage for all such expenses arising from an occurrence is \$25,000.

### 6. Extra Expense

a. We will pay necessary "extra expense" incurred during the "period of restoration":

(1) Arising from direct physical loss of or damage to Covered Property at or within 1000 feet of "covered premises"; or

(2) If you are denied access to "covered premises" by a civil authority because of direct physical loss of or damage to property away from "covered premises."

The loss or damage must be caused by or result from a Covered Cause of Loss.



The most we will pay under this coverage for all "extra expenses" arising from an occurrence is \$25,000.

- b. The amount of "extra expense" will be determined based on:

(1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

(a) The salvage value that remains of any property bought for temporary use during the "period of restoration" once "operations" are resumed; and

(b) Any "extra expense" that is paid for by other insurance except for insurance that is written subject to the same plan, terms, conditions, and provisions as this insurance.

(2) All necessary expenses that reduce the "extra expense" otherwise incurred.

#### 7. Fine Arts - Market Value

We will pay for direct physical loss of or damage to "fine arts":

- a. That you own; or  
b. That belong to others while in your care, custody, or control;

on a market value basis. The loss or damage must occur at "covered premises" and be caused by or result from any of the Covered Causes of Loss.

The most we will pay under this coverage is \$25,000 per occurrence.

#### 8. Fire Department Service Charge

If a fire department is called to save or protect Covered Property at "covered premises" from a Covered Cause of Loss, we will pay your liability for fire department service charges:

- a. Assumed under contract or written agreement before the Covered Cause of Loss occurs; or  
b. Required by local ordinance.

#### 9. Lost Key Consequential Loss

If a master or grand master key is lost or damaged by a Covered Cause of Loss, we will pay for the actual cost of keys, the cost of adjusting locks to accept new keys, or the cost of new locks, if required, of like kind and quality

including the cost of their installation. The most we will pay under this coverage for all amounts incurred under this coverage is \$25,000.

#### 10. Money and Securities

a. We will pay for the disappearance, destruction, or "theft" of "money" or "securities":

(1) From within "premises" or "banking premises"; or

(2) In the care, custody, or control of a "messenger" or armored motor vehicle company.

b. In addition to any other exclusions that may apply to this coverage, we will not pay for:

(1) Loss resulting from accounting or arithmetical errors or omissions.

(2) Loss resulting from the giving or surrendering of property in exchange or purchase.

(3) Loss of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

The most we will pay under this coverage for loss of "money" and securities" in any one occurrence is \$5,000.

#### 11. Newly Acquired or Constructed Property

a. We will pay for direct physical loss of or damage to your new buildings while being built on "covered premises."

b. We will pay for direct physical loss of or damage to buildings acquired by you at locations that are not "covered premises." The buildings must be intended for:

(1) Similar use as buildings at "covered premises"; or

(2) Use as a warehouse

c. We will pay for direct physical loss of or damage to your business personal property at locations you acquire.

d. This coverage:

(1) Begins when construction is started or when you acquire the property. It ends when any of the following first occurs:

(a) This policy expires;

(b) 180 days after construction begins or you acquire the property; or



- (c) You report values to us.
- (2) Does not apply to property at any fair, trade show, exhibition, or exposition.
- (3) Applies only if the loss or damage is caused by or results from a Covered Cause of Loss.

We will charge you additional premium for this coverage based on values reported from the date construction begins or the date you acquire the property.

The most we will pay for loss or damage under this coverage is \$1,000,000 per occurrence.

#### 12. Ordinance or Law

- a. If a Covered Cause of Loss occurs to covered buildings, we will pay:
  - (1) For loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
    - (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
    - (b) Regulates the construction or repair of buildings; or establishes zoning or land use requirements at the described premises; and
  - (c) Is in force at the time of loss.
  - (2) The increased cost to repair, rebuild, or construct the property caused by enforcement of building, zoning, or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the current property, unless otherwise required by zoning, or land use ordinance or law.
  - (3) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning or land use ordinance or law.
- b. We will not pay for increased costs of construction under this coverage:
  - (1) Until the property is actually repaired or replaced, at the same premises or another premises; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.
- c. We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law that requires any

insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of, "pollutants."

The most we will pay under this coverage is \$250,000 per occurrence.

#### 13. Pollutant Cleanup

- a. We will pay your pollutant cleanup expenses only if:
  - (1) You report the pollutant cleanup expenses to us in writing within 180 days of the date on which the Covered Cause of Loss occurs; and
  - (2) The discharge, dispersal, seepage, migration, release, or escape of the "pollutants" or contaminants is caused by or results from a Covered Cause of Loss that occurs during the policy period.
- b. Pollutant cleanup expenses are amounts that are incurred:
  - (1) To extract, remove, or cleanup "pollutants" or contaminants from land or water; or
  - (2) To remove, restore, or replace polluted or contaminated land or water; at "covered premises."

The most we will pay under this coverage for each "covered premises" is \$25,000 for the sum of all pollutant cleanup expenses arising from Covered Causes of Loss occurring during each separate twelve month period of this policy.

#### 14. Preservation of Property

You may move Covered Property from "covered premises" to another location in order to save it from imminent loss or damage by a Covered Cause of Loss. If you do, we will pay for direct physical loss of or damage to that property:

- a. While it is being moved to, returned from, or while temporarily stored at another location; and
- b. Only if the loss or damage occurs within ninety days after the property is first moved.

#### 15. Property in Custody of Salespeople

We will pay for direct physical loss of or damage to your business personal property in the care, custody, or control of your salespeople. The loss or damage must occur away from "covered premises" and be caused by or result from a Covered Cause of Loss.



The most we will pay for loss or damage under this coverage is \$25,000 per occurrence.

#### 16. Property Off-Premises

We will pay for direct physical loss of or damage to Covered Property that is temporarily away from "covered premises." The loss or damage must be caused by or result from a Covered Cause of Loss.

This coverage does not apply to:

- a. Property while in transit, or in or on a vehicle;
- b. Property in the care, custody, or control of salespeople, your employees, or any borrower or renter;
- c. Property at any exhibition, exposition, trade show, or fair; or
- d. Property sold under any conditional sale, trust agreement, installment plan, or other deferred payment plan.

The most we will pay for loss or damage under this coverage is \$25,000 per occurrence.

#### 17. Refilling Fire Extinguishing Equipment

We will pay to refill fire extinguishers and automatic fire extinguishing systems if its discharge was:

- a. Caused by a Covered Cause of Loss; or
- b. Intended to control loss or damage by fire or explosion.

This coverage does not apply if the discharge occurred while the system or equipment was being tested or serviced.

This coverage is part of and does not increase the Limit of Insurance applicable to the Covered Property.

#### 18. Transit

- a. We will pay for direct physical loss or damage to your business personal property in transit more than 1000 feet from "covered premises." The property must be in due course of transit at your risk between points within the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.
- b. We will only cover animals that die or that sustain injuries making destruction necessary if the death or injuries are caused directly by fire, lightning, windstorm, explosion, collision, or upset or overturn of the vehicle carrying the animals.
- c. This coverage does not apply to:

- (1) Property once it is in the care, custody, or control of salespeople or the Postal Service.
- (2) Property shipped on deck of ocean-going ships.
- (3) Import shipments. But this coverage shall apply once the property becomes fully discharged from the conveyance used to import it and other marine insurance on it has ceased.
- (4) Export shipments covered under other marine insurance or export shipments once they are onboard conveyances destined to leave the coverage territory.

The most we will pay for loss or damage under this coverage is \$10,000 per occurrence.

#### 19. Valuable Papers and Records - Cost of Research

If there is direct physical loss of or damage to valuable papers and records (including records on electronic or magnetic media) by a Covered Cause of Loss, we will pay amounts you incur to research, replace, or restore information that was on such property. Valuable papers and records does not include money or "securities."

This coverage does not apply to:

- a. Your records of accounts receivable; or
- b. Amounts incurred to replace or restore information available from duplicates or from originals.

The most we will pay under this coverage is \$25,000 per occurrence.

#### 20. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to air out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

This coverage is part of and does not increase the Limit of Insurance applicable to the Covered Property.

#### B. COVERED CAUSES OF LOSS

For the meaning of Covered Causes of Loss, as used in this Coverage Part, see the Causes of Loss - Comprehensive Form.

#### C. EXCLUSIONS

See the Causes of Loss --Comprehensive Form.

#### D. PROPERTY NOT COVERED

Except as specifically provided, Covered Property does not include nor will we pay for loss of or damage to:

1. Accounts, bills, currency, deeds, or evidences of debt or title, food stamps, money, notes or securities;
2. Aircraft or watercraft;
3. Bridges, patios, roadways, walks, walkways; or any paved surfaces
4. Contraband;
5. Crops (including grain, hay, and straw) while outside buildings;
6. Land (including land on which the property is located), water, lawns, dams, or dikes;
7. Docks, pilings, piers, or wharves;
8. Growing crops or standing timber;
9. Mines, caverns, or any property within a mine or cavern;
10. Licensed vehicles that you or your employees, officers, or partners own or lease from others;
11. Property in the course of illegal transportation or trade; or
12. Property while airborne, waterborne, or located offshore, (except as provided under Transit coverage.)

#### E. LIMITS OF INSURANCE

1. The most we will pay for direct physical loss of or damage to Covered Property at "covered premises" (including coverage under Debris Removal and Refilling Fire Extinguishing Equipment) in any one occurrence is the applicable Limit of Insurance shown in the Declarations for Covered Property.

But we will pay up to an additional \$5,000 for debris removal expenses if:

- a. The sum of direct physical loss or damage and debris removal expenses exceed the Limit of Insurance; or
  - b. The debris removal expenses exceed the amount payable under the 25% limitation stated in the Debris Removal coverage.
2. The limits specified under the following coverages are not a part of the Limits of Insurance shown in the Declarations.
    - a. Accounts Receivable.
    - b. Exhibitions, Expositions, Trade Shows, or Fairs.

- c. Extra Expense.
  - d. Fine Arts - Market Value.
  - e. Lost Key Consequential Loss.
  - f. Money and Securities.
  - g. Newly Acquired or Constructed Property.
  - h. Ordinance or Law.
  - i. Pollutant Cleanup.
  - j. Property in Custody of Salespeople.
  - k. Property Off-Premises.
  - l. Transit.
  - m. Valuable Papers and Records - Cost of Research.
3. The most we will pay for the theft of furs, fur garments, garments trimmed with fur, jewelry, jewels, pearls, precious or semiprecious stones, bullion, gold, silver, platinum, and precious or semiprecious metals or alloys in any one occurrence is \$5,000.

#### F. DEDUCTIBLES

1. We will not pay for any loss, damage, or expense arising from an occurrence until the amount of loss, damage, or expense exceeds the applicable Deductible shown in the Declarations. We will pay the amount of loss, damage, or expense that is in excess of the applicable Deductible amount, up to the applicable Limit of Insurance.

- a. The Earth Movement deductible:

- (1) Will be the larger of either \$50,000 or the Earth Movement Percent shown in the Declarations times the applicable Limits of Insurance.

This deductible applies separately to each premises.

- (2) Does not apply to fire, explosion, or "sprinkler leakage" loss resulting from "earth movement."

- b. The Flood deductible does not apply to fire or explosion loss resulting from "flood."

2. No deductible applies to amounts payable under the following coverages:

- a. Extra Expense.
- b. Fire Department Service Charges.

#### G. LOSS CONDITIONS

1. Abandonment



There can be no abandonment of any property to us.

## **2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

## **3. Duties In The Event Of Loss Or Damage**

- a. You must see that the following are done in the event of loss or damage to property:
  - (1) Notify the police if a law may have been broken.
  - (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
  - (3) As soon as possible, give us a description of how, when, and where the loss or damage occurred.
  - (4) Take all reasonable steps to protect the property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also, you must keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
  - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.
  - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

You must also permit us to make copies from your books and records and permit us to take samples of damaged and undamaged property for inspection, testing, and analysis.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- b. We may examine any insured (including employees) under oath, while not in the presence of any other insured (or employee) and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers (transcript) must be signed; however, we reserve the right to waive this requirement.

## **4. Loss Payment**

- a. In the event of loss or damage, at our option we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild, or replace the property with other property of like kind and quality.

We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

- b. We will not pay more than your financial interest in any property.
- c. Our payment for loss of or damage to property of others will only be for the account of the owner of the property.

We may adjust losses with the owners of damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners, but we will not pay more than their financial interest in the property.

- d. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- e. If you have complied with all of the terms of this Coverage Part and:

- (1) We have reached agreement with you on the amount of loss; or
- (2) An appraisal award has been made;

we will pay for covered loss or damage within 30 days after we receive the sworn proof of loss.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid you for the property. We will pay recovery expenses and the expenses to repair recovered property, subject to Limit of Insurance.

#### 6. Vacancy

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage, we will:

- a. Not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:

- (1) Vandalism;
- (2) Leakage of sprinkler systems, unless you have taken the necessary steps to protect the system from freezing;
- (3) Building glass breakage;
- (4) Water damage; or
- (5) Theft or attempted theft.

- b. Reduce the amount we would otherwise pay for the loss or damage by 15%;

A building is vacant when it does not contain enough business personal property to conduct customary operations. Buildings under construction are not considered vacant.

#### 7. Valuation

The value of property shall be determined as of the time and place of loss or damage.

- a. Except as provided below, we will determine the value of property at its replacement cost (without deduction for depreciation.)
- b. We will not pay on a replacement cost basis:
  - (1) Until the property is actually repaired, replaced, or rebuilt; and

- (2) Unless the repairs, replacement, or reconstruction is made as soon as reasonably possible after the loss or damage.

If we do not pay on a replacement cost basis, we will determine the value of the property at actual cash value.

- c. We will not pay more for loss or damage on a replacement cost basis than the least of:

- (1) The Limit of Insurance applicable to the lost or damaged property;
- (2) The cost to replace, on the same premises, the lost or damaged property with other property:
  - (a) Of comparable material and quality; and
  - (b) Used for the same purpose; or
- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

- d. For stock in process the value will be the value of raw stock and labor expended, plus the proper proportion of overhead charges.

- e. For "finished stock", the value will be the regular cash selling price minus all discounts and charges you otherwise would have had.

- f. For manuscripts, drawings, tape recordings, exposed film, or other records including those which exist on electronic or magnetic media (other than prepackaged software programs), the value will be the cost of:

- (1) Blank materials for reproducing the records; and
- (2) The labor incurred to transcribe or copy the records from duplicates or from originals.

- g. For property sold but not delivered, the value will be your net selling price after all allowances and discounts.

- h. For "fine arts," the value will be actual cash value. This valuation does not apply to the Fine Arts - Market Value coverage.

- i. For "money," the value will be at its face value or its equivalent (if from a country other than the United States of America) based on exchange rates in effect when loss occurred.

- j. For "securities," the value will be the actual cash value of the "securities" or the actual cost of replacing the "securities," whichever



is less. We will not pay for the loss of income, interest, or dividends that occur as a result of loss of the "securities."

Upon our payment for loss of "securities," you must assign to us all your right, title, and interest in and to those "securities."

- k. For property of others, the value will be the actual cash value of that property, or the amount for which you are liable if less, including labor, materials, or services added, furnished, or arranged by you. This valuation does not apply to the Fine Arts - Market Value coverage or property you lease from others under a lease agreement.
- l. For property of others under a lease agreement, the value will be the amount for which you are legally liable.

#### H. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

##### 1. Brands and labels.

If branded or labeled merchandise is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If we do, at your own expense you may:

- a. Stamp "salvage" on the merchandise, its packaging, or its containers only if the stamp will not physically damage the property.
- b. Remove the brands or labels only if such doing so will not physically damage the property. But you must relabel the merchandise, its packaging, or its containers to comply with the law.

##### 2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to covered buildings or structures to each mortgage holder shown in the Declarations (or schedule) in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the

mortgage holder will still have the right to receive loss payment if the mortgage holder:

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within sixty days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with terms of this Coverage Part:

- (1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:

- (1) Ten days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) Thirty days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least ten days before the expiration date of this policy.

##### 3. Loss Adjustment

The following is intended to facilitate payment of insurance proceeds if there is disagreement between us and a company providing boiler and machinery insurance as to the amount of the loss to be paid by each company.

- a. We and the boiler and machinery insurer will make payments to the extent and in the



manner, described in the following if the requirements listed in b. below are satisfied.

- (1) We will pay, after your written request, the entire amount of loss that we agreed as being covered by this insurance and one-half (1/2) the amount that is in disagreement.
  - (2) The boiler and machinery insurer will pay, after your written request, the entire amount of loss that they have agreed as being covered by them and one-half (1/2) the amount that is in disagreement.
  - (3) The amount to be paid by us shall not exceed the amount we would have paid had no boiler and machinery insurance been in effect at the time of loss.
  - (4) The amount in disagreement to be paid by us shall not exceed the amount payable under the similar provision of the boiler and machinery insurer's policy.
  - (5) Your acceptance of sums paid does not alter, waive, or surrender any other right you have against us.
- b. The following requirements must be met under this provision.
- (1) The boiler and machinery insurance policy must contain a provision with substantially the same requirements, procedures, and conditions as provided under this provision.
  - (2) The damage to property must be caused by a loss for which both we and the boiler and machinery insurer admit to some liability for payment under the respective policies.
  - (3) The total amount of the loss must be agreed to by you, us, and the boiler and machinery insurer.
  - (4) We and the boiler and machinery insurer disagree as to the amount each should pay that is attributable to:
    - (a) A cause of loss covered under this insurance; and
    - (b) An accident covered under the boiler and machinery policy.
- c. We and the boiler and machinery insurer will submit our differences to arbitration within ninety days after loss payment made under the terms of this provision.

- d. There will be three arbitrators. One will be appointed by the boiler and machinery insurer and one will be appointed by us. The two arbitrators will then select the third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction. You will cooperate with any arbitration procedure, but not interfere in it.

#### 4. Occupancy

Buildings and structures in the course of construction shall not be occupied without obtaining our written consent, except that machinery may be set up and operated solely for the purpose of testing the same without prejudice to this insurance.

#### 5. Pair, Set, or Parts

- a. In case of loss or damage to any part of a pair or set, we may:
  - (1) Repair or replace any part to restore the pair or set to its value before loss or damage; or
  - (2) Pay the difference between the value of the pair or set before and after the loss or damage.
- b. In case of loss or damage to any part of property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### I. OPTIONAL COVERAGE -- INFLATION GUARD

The following applies only if this optional coverage is indicated in the Declarations.

The Limit of Insurance shown for Covered Property at "covered premises" will automatically increase by the annual percentage shown in the Declarations. The amount of increase will be:

1. The Limit of Insurance that applies on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance; times
2. The percentage of annual increase shown in the Declarations, expressed as a decimal (e.g. 8% is .08); times
3. The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

#### J. DEFINITIONS



Wherever used in this Coverage Part:

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Covered premises" means premises described in the Declarations or in a Schedule of Locations form attached to this Coverage Part.
3. "Extra expense" means expenses you incur:
  - a. To avoid or minimize the suspension of business and to continue "operations":
    - (1) At "covered premises"; or
    - (2) At replacement premises or at temporary locations, including:
      - (a) Relocation expenses; and
      - (b) Costs to equip and operate the replacement or temporary locations.
  - b. To minimize the suspension of business if you cannot continue "operations."
  - c. To repair or replace any property. These expenses are covered only to the extent they reduce other extra expenses.
4. "Finished stock" means stock you have manufactured or produced (including whiskey and other products being aged) which is ready for sale. It does not include stock you have manufactured or produced which is held for sale on the premises of any retail outlet insured under this Coverage Part.
5. "Fine arts" means antiques, rare articles, and other works of art of every nature and description, including etchings, drawings, pictures, sculptures, statuary, marbles, bronzes, porcelains, and bric-a-brac.
6. "Money" means currency, coins, and bank notes in current use and having a face value and travelers checks, register checks, and money orders held for sale to the public.
7. "Messenger" means you or any of your employees, partners, directors, officers, or trustees while having custody of the property outside the "premises."
8. "Operations" means:
  - a. Your business activities occurring at "covered premises"; and
  - b. The tenantability of the "insured locations."
9. "Period of restoration":
  - a. Means the period that begins on the date loss or damage occurs and ends:

- (1) When the damaged property should, with reasonable speed, be repaired, rebuilt, or replaced; or
  - (2) The number of months shown in the Declarations for Period of Restoration; whichever is earlier.
- b. Does not include any increased period attributed to:
- (1) The enforcement of any law, ordinance, order, rule, or ruling that:
    - (a) Prohibits, regulates, or restricts the alteration, construction installation, operation, use, or repair of any property.
    - (b) Requires the tearing down or demolition of any property.
    - (c) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of, "pollutants."
  - (2) Delays in:
    - (a) Rebuilding, repairing, or replacing property; or
    - (b) The resumption or continuation of "operations"; resulting from interference by strikers or other persons.
  - (3) The suspension, lapse, cancellation, repeal, or refusal of, or any delay in the granting of, any license, lease, permit, contract, or order.

The expiration date of this policy will not cut short the "period of restoration."

10. "Personal property of others" means personal property that you do not own. It does not include:
  - a. Personal property that belongs to you or your employees, officers, or partners; or
  - b. Business personal property leased from others.
11. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, soot, vapor, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

12. "Premises" means the interior portion of any building you occupy in conducting your business.
13. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - b. Evidences of debt issued in connection with credit cards, which cards are not issued by you;but does not include "money."
14. "Stock" means merchandise held in storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packing or shipping.
15. "Theft" means any act of stealing except as otherwise excluded.

COMMERCIAL PROPERTY

## CAUSES OF LOSS COM



2. We will not pay for loss or damage caused by or resulting from:

- a. Artificially generated electric current, including electric arcing, that damages or disturbs electrical devices, appliances, or wires.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

- b. Delay, loss of use, or loss of market.
- c. Smoke, vapor, or gas from agricultural smudging or industrial operations.
- d. Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases of fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- e. Dishonest or criminal act by you, by any of your partners, employees, directors, trustees, or authorized representatives, or by anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

- f. Voluntary parting with any property by you or anyone else to whom you have entrusted the property so if induced to do by any pretense or fraudulent scheme, trick, or device.
- g. Rain, snow, ice, or sleet to personal property in the open.
- h. Collapse, except as provided below in the Additional Coverage for Collapse. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.
- i. "Mine Subsidence."
- j. Discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage,

migration, release, or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss of damage.

- a. Wear and tear;
- b. Rust, corrosion, mold, fungus, disease, decay, wet or dry rot, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
- c. Smog;
- d. Settling, cracking, shrinking, or expansion;
- e. Insects, moths, birds, rodents, vermin, or other animals;
- f. Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision.
- g. The following causes of loss to personal property:
- (1) Dampness or dryness of atmosphere;
- (2) Changes in or extremes of temperature; or
- (3) Marring or scratching.

4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a covered Cause of Loss results, we will pay for that resulting loss or damage.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.
- c. Faulty, inadequate, or defective:
- (1) Planning, zoning, development, surveying, or siting;



(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;

(3) Materials used in repair, construction, renovation, or remodeling; or

(4) Maintenance;

of part or all of any property on or off the "covered premises."

## 5. Special Exclusions

a. The following provisions shall also apply only with respect to loss or damage to valuable papers and records.

We will not pay for loss or damage caused by or resulting from:

(1) Electrical or magnetic injury, disturbance, or erasure of electronic recordings. But we will pay for direct loss caused by lightning.

(2) Errors in machine programming or instructions to machines.

(3) Errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or explosion.

(4) Operator or programmer error.

(5) Unauthorized instructions to transfer property to any person or to any place.

b. The following provisions shall also apply only with respect to loss of or damage to animals.

We will not pay for loss or damage caused by or resulting from:

(1) Blizzards, snowstorms, freezing, or smothering. This exclusion does not apply to animals inside buildings when any of these occur.

(2) Colds, disease, illness, infection, parturition, or other natural causes.

c. The following provisions shall also apply only with respect to "extra expense," the Business Income Coverage Form, or the Extra Expense Coverage Form.

We will not pay for:

(1) Any loss caused by or resulting from:

(a) Damage or destruction of "finished stock"; or

(b) The time required to reproduce "finished stock."

This exclusion does not apply to "extra expense" (or Extra Expense).

(2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.

(3) Any increase of loss caused by or resulting from:

(a) Delay in rebuilding, repairing, or replacing the property or re-summing "operations," due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons; or

(b) Suspension, lapse, or cancellation of any license, lease, or contract. But if the suspension, lapse, or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

(4) Any "extra expense" (or Extra Expense) caused by or resulting from suspension, lapse, or cancellation of any license, lease, or contract beyond the "period of restoration."

(5) Any other consequential loss.

d. The following provisions shall also apply only with respect to the Leasehold Interest Coverage Form.

(1) Paragraph B.1.a., Ordinance or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse, or cancellation of any license; or

(c) Any other consequential loss.

e. The following provisions shall also apply but only with respect to the Legal Liability Coverage Form.

(1) The following exclusions in the Causes of Loss Comprehensive Form do not apply.

(a) Paragraph B.1.a., Ordinance or Law;

- (b) Paragraph B.1.d., Governmental Action;
  - (c) Paragraph B.1.e., Nuclear Hazard;
  - (d) Paragraph B.1.f., Off-Premises Services; and
  - (e) Paragraph B.1.g., War and Military Action.
- (2) We will not defend any claim or "suit" or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.
- (3) We will not defend any claim or "suit" or pay any damages, loss, expense, or obligation, resulting from nuclear reaction or nuclear radiation or radioactive contamination, however caused.

### C. LIMITATIONS

1. We will not pay for loss of or damage to:
  - a. Steam boilers, steam pipes, steam engines, or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand, or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand, or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet, or ice on the building or structure.
  - d. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or

other instances where there is no physical evidence to show what happened to the property.

- e. Property that has been transferred to a person or to a place outside "covered premises" on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
    - a. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
      - (1) Glass that is part of a building or structure;
      - (2) Containers of property held for sale; or
      - (3) Photographic or scientific instrument lenses.
    - b. Builders' machinery, tools, and equipment you own or that are entrusted to you, while away from "covered premises."
  3. We will not pay any cost to excavate, grade, backfill, or fill any land.

### D. ADDITIONAL COVERAGE - COLLAPSE

We will pay for loss or damage caused by or resulting from risks of direct physical loss involving collapse of a building or any part of a building caused only by one or more of the following:

1. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
2. Hidden decay;
3. Hidden insect or vermin damage;
4. Weight of people or personal property;
5. Weight of rain that collects on a roof;
6. Use of defective material or methods in construction, remodeling, or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

We will not pay for loss or damage to the following types of property, if otherwise covered in this Coverage Part, under items 2., 3., 4., 5., and 6. unless the loss or damage is a direct result of the collapse of a building:



outdoor radio or television antennas, including their lead-in wiring, masts or towers; awnings, gutters, and downspouts; yard fixtures, outdoor swimming pools; fences; piers, wharves and docks; beach or diving platforms or appurtenances; retaining walls; walks, roadways, and other paved surfaces.

Collapse does not include settling, cracking, shrinkage, bulging, or expansion.

This Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

#### E. DEFINITIONS

Wherever used in this Coverage Part:

1. "Earth movement" means earthquakes, landslides, or any other kind or type of earth movement. But "earth movement" does not mean mud-slide, mud-flow, "sinkhole collapse," or collapse of manmade, underground mines.

All "earth movements" that occur within any 168-hour period will constitute a single occurrence by "earth movement." The expiration of this policy will not reduce the 168-hour period.

2. "Flood" means:

- a. Floods, flash floods, surface water, waves, tides, tidal waves or water, the rising or overflowing of any body of water, or their spray or runoff, all whether or not driven by wind.
- b. Mud-slide or mud-flow caused or precipitated by accumulation of water in, on, or under the ground.

"Flood" includes the unusual and rapid accumulation or runoff of surface waters from any source.

3. "Mine subsidence," means lateral or vertical movement, including collapse, resulting from collapse of manmade, underground mines.
4. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
  - a. The cost of filling sinkholes; or
  - b. Sinking or collapse of land into manmade underground cavities.

5. "Specified cause of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

To the extent that the Earth Movement - Optional Coverage applies or the Flood - Optional Coverage applies, "specified causes of loss" shall include "flood" or "earth movement."

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CAUSES OF LOS**



**ENDORSEMENT NUMBER:**

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

## 2. We will not pay for loss or damage caused by or resulting from:

- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
- b. Fire, explosion, landslide, mine subsidence, tidal wave, mudslide or mudflow, even if attributable to an Flood.
- c. Any Flood that begins before the inception of this insurance.

## 3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

## (1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

## b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.

## (2) We will not pay for any loss caused by:

- (a) Your cancelling the lease;
- (b) The suspension, lapse or cancellation of any license; or
- (c) Any other consequential loss.

**ENDORSEMENT NUMBER:**

c. Legal Liability Coverage Form

(1) The following Exclusions do not apply to insurance under this Coverage Form.

- (a) Paragraph B.1.a., Ordinance or Law;
- (b) Paragraph B.1.b., Governmental Action;
- (c) Paragraph B.1.c., Nuclear Hazard;
- (d) Paragraph B.1.d., Off-Premises Services; and
- (e) Paragraph B.1.e., War and Military Action.

(2) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(3) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. LIMITATION**

We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Flood. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying:

- 1. The Deductible applicable to this form; or
- 2. The Additional Condition, Coinsurance, applicable to this Coverage Part.

This limitation does not apply if:

- a. The premises description in the Declarations specifically states "Including Masonry Veneer"; or
- b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

**D. DEDUCTIBLE**

We will not pay for "loss" to a premises described in the Schedule above caused by or resulting from Flood until the amount of the adjusted "loss" exceeds the Deductible amount shown in the Multiple Deductible Form 4 for Flood Coverage. We will pay the amount of the adjusted "loss" that is in excess of the Flood Coverage Deductible up to the Limit of Insurance described in Section E below.

**E. LIMITS OF INSURANCE:**

- 1. The most we will pay for all "losses" caused by or resulting from Flood to a premises described in the Schedule above is the limit shown in the Coverages Provided section of the Commercial Property Coverage Part Declarations Page. The limit shown in the Coverages Provided section of the Commercial Property Coverage Part Declarations Page is each occurrence and in the Annual Aggregate during any one policy period.
- 2. For the purposes of the Flood coverage provided in this endorsement, the limit provided in E(1.) applies as a blanket single limit to all covered items included in all Property, Time Element, and Property Coverage Extensions provided for a location described in the Schedule above under this policy.

POLICY NUMBER: HHC 2000240 01

7:23-cv-00028

AG 00 03 04 19

ENDORSEMENT NUMBER:

**SCHEDULE**

Prem No.	Bldg No.	Address
001	001	5050 Tanglewood Ln. Odessa, TX 79762
002	001	4100 East 50th Street Odessa, TX 79762



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**WINDSTORM OR HAIL LOSS CONDITIONS AMENDMENT EN**

**BUSINESS INCOME COVERAGE FORM**

(WITHOUT EXTRA EXPENSE)

- A. The following is added under the COVERAGES section of the Building and Personal Property Coverage Form.

**Business Income**

1. We will pay the actual loss of Business Income that you sustain during the "period of restoration" because of the necessary suspension of your "operations." The suspension must be caused by or result from direct physical loss of or damage to property at or within 1000 feet of "insured locations." With regard only to locations you acquire, this coverage does not apply if any of the following occurs before the loss or damage to property.

- a. The policy expires.
- b. Thirty (30) days expire after you acquire the location.

The loss or damage must be caused by or result from any of the Covered Causes of Loss.

2. We will pay the actual loss of Business Income that you sustain if an act of civil authority prohibits access to "insured location." This coverage applies:

- a. If the action was taken because of direct physical loss of or damage to property at locations other than "insured locations"; and
- b. Only to the actual loss of Business Income incurred while access is denied but not exceeding two consecutive weeks from the date access was prohibited.

3. We will pay the actual loss of Business Income that you sustain during the period that:

- a. Begins on the date property (except "finished property") is actually repaired, rebuilt, or replaced and "operations" are resumed; and
- b. Ends on the earlier of:
  - (1) The date you could restore your "operations," with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred; or

- (2) One Hundred Eighty consecutive days after the "period of restoration."

The loss of Business Income must result from direct physical loss or damage to property at "insured locations" by a Covered Cause of Loss.

4. If direct physical loss or damage to:

- a. New buildings or structures, whether complete or under construction;
- b. Alterations or additions to existing buildings or structures; and
- c. Machinery, equipment, supplies, or building materials located on or within 1000 feet of "insured locations" and:

- (1) Used in the construction, alteration, or addition; or

- (2) Incidental to the occupancy of new buildings.

delays the start of "operations," the "period of restoration" will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

5. We will not pay for any loss of Business Income resulting from direct physical loss of or damage to "electronic media and records" after the longer of:

- a. Sixty consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild, restore, or rebuild, with reasonable speed and similar quality, other property at "insured locations" due to loss or damage caused by the same occurrence.

**Example No. 1:**

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the actual loss of Business Income sustained during the period June 1 through September 1. Loss of Business Income sustained during the period September 2 through October 1 is not covered.

**Example No. 2:**



A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for actual loss of Business Income sustained during the period August 1 through September 29 (60 consecutive days.) Loss of Business Income sustained during the period September 30 through October 15 is not covered.

**6. Business Income, as used in this Coverage Part, means:**

- a. Net Income (net profit or loss before income taxes) that would have been earned or incurred;
- b. Continuing normal operating expenses incurred, including payroll; and
- c. "Rental value."

**B. The following is added under paragraph F. ADDITIONAL CONDITIONS only as respects the coverage provided by this form.**

**1. Resumption of Operations**

- a. If you intend to continue your business "operations," you must make every reasonable effort to resume all or part of your "operations" as quickly as possible.
- b. We will reduce the amount of the actual loss of Business Income that you sustain to the extent you can resume your "operations," in whole or in part, by:
  - (1) Making use of another location.
  - (2) Restoring Covered Property to workable order.
  - (3) Using damaged or undamaged property.
  - (4) Using other available source of materials, equipment, supplies, or other property.
- c. If you do not resume "operations," or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**2. Business Income Loss Determination**

We will figure the actual loss of Business Income that you sustain based on:

- a. The Net Income of the business before the direct physical loss or damage occurred;

- b. The probable Net Income of the business if no direct physical loss or damage occurred;
- c. The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed prior to the direct physical loss or damage; and
- d. Other relevant sources of information, including:
  - (1) Your financial records and accounting procedures;
  - (2) Bills, invoices, and other vouchers; and
  - (3) Deeds, liens, or contracts.

**C. The following are added under H. DEFINITIONS of the Building and Personal Property Coverage Form only as respects the coverage provided by this form.**

**1. "Electronic media and records" means:**

- a. Electronic data processing, recording, or storage media such as films, tapes, discs (or diskettes), drums, or cells;
- b. Data stored on such media; or
- c. Programming records used for electronically controlled equipment.

**2. "Insured locations" means:**

- a. Any location that you acquire other than at exhibitions, expositions, trade shows, or fairs; and
- b. "Covered premises."

**3. "Rental value" means the:**

- a. Total anticipated rental income from tenant occupancy of "covered premises" as furnished and equipped by you;
- b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; and
- c. Fair rental value of any portion of the "covered premises" which is occupied by you.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTION PLUS PROPERTY PROGRAM

This endorsement modifies insurance provided under the following:  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM

### SCHEDULE

	Limit of Insurance		Limit of Insurance		Limit of Insurance
Newly Acquired or Constructed Property	\$1,000,000	Off Premises Services	\$50,000	Soft Costs	\$25,000
Improvements and Betterments	Included	Catastrophe Allowance	\$25,000	Extra Expense	\$250,000
Demolition Cost and Increased Cost of Construction	\$250,000	Trees, Shrubs, and Plants	\$1,000 any one tree, shrub or plant / \$25,000 any one occurrence	Personal Property	\$50,000 or 10% of the real property limit shown on the declarations page

#### A. EXTRA EXPENSE

The limit of insurance specified under paragraph A. COVERAGES 6. Extra Expense of the Building and Personal Property Coverage Form is replaced by the Limit of Insurance shown in the Schedule for Extra Expense.

#### B. ORDINANCE OR LAW - DEMOLITION AND INCREASED COST OF CONSTRUCTION

A. COVERAGES 12. Ordinance or Law of the Building and Personal Property Coverage Form is replaced by the following for Demolition and Increased Cost of Construction:

a. If a Covered Cause of Loss occurs to covered buildings, we will pay:

(1) The increased cost to repair, rebuild, or construct the property caused by enforcement of building, zoning, or land use ordinance or law. If the property is repaired or rebuilt, it must be intended for similar occupancy as the property in existence at the time of loss or damage, unless otherwise required by zoning, or land use ordinance or law in effect at the time of the loss or damage.

(2) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of the building, zoning, or land use ordinance or law in effect at the time of the loss or damage.

b. We will not pay for increased costs of construction under this coverage:

(1) Until the property is actually repaired or replaced, at the same premises or another premises if required by ordinance, zoning or law in effect at the time of the loss or damage; and

(2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage occurs, not to exceed a period of 2 years. We may extend this period in writing during the 2 year period if conditions warrant.

c. We will not make any payments under this coverage for the costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants."

The most that we will pay under this coverage in any one occurrence is the Limit of Insurance shown in the Schedule for Demolition Costs and Increased Cost of Construction.

#### C. ORDINANCE OR LAW - LOSS TO UNDAMAGED PORTION OF BUILDING

A. COVERAGES 12. Ordinance or Law of the Building and Personal Property Coverage Form is replaced by

the following for Loss to the Undamaged Portion of Buildings:

- a. If a Covered Cause of Loss occurs to covered buildings, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
  - (1) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
  - (2) Regulates the construction or repair of buildings; or establishes zoning or land use requirements at the described premises; and
  - (3) Is in force at the time of loss.
- b. We will not make any payments under this coverage for the costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants."

This coverage is part of and does not increase Limits of Insurance applicable to Covered Property.

#### **D. NEWLY ACQUIRED OR CONSTRUCTED**

The limit of insurance specified under paragraph A. COVERAGES 11. Newly Acquired or Constructed Property of the Building and Personal Property Coverage Form is replaced by the Limit of Insurance shown in the Schedule for Newly Acquired or Constructed Property.

#### **E. TREES, SHRUBS AND PLANTS**

The following is added under section E. LIMITS OF INSURANCE of the Building and Personal Property Coverage Form:

4. We will pay for loss of outdoor trees, shrubs and plants at the described premises against direct loss in any one occurrence by the perils of fire, lightning, explosion, riot, civil commotion, aircraft, vandalism, vehicles and "theft."

But the most we will pay for direct physical loss of or damage:

- a. To any one tree, shrub, or plant in any one occurrence is \$1,000.
- b. To all trees, shrubs, and plants in any one occurrence is \$25,000.

#### **F. IMPROVEMENTS AND BETTERMENTS**

Paragraph b. under A. Coverages 1. Property at Your Premises of the Building and Personal Property Coverage Form is replaced by the following for Real Property:

If Real Property is indicated in the declarations, Covered Property, as used in this Coverage Part means building,

structures, and other real property including improvements and betterments made a permanent part of the building, structure, or real property.

Improvements and betterments are fixtures, alterations, installation, or additions that are made a part of a building or structure that you own or are entirely responsible for operating.

We agree to accept and consider you as sole and unconditional owner of improvements and betterments, notwithstanding any contract or lease to the contrary.

#### **G. ADDITIONAL COVERAGES**

The following are added under A. COVERAGES of the Building and Personal Property Coverage Form.

##### **1. Catastrophe Allowance**

The following applies only if Property Claims Services (an independent claims information service) publicly assigns a catastrophe number to the insured event that causes direct physical loss or damage (e.g. hurricane, blizzards, hailstorms). We will inform you if a catastrophe number has been assigned when you file a claim.

The insurance provided under this Coverage Part may be extended in the aggregate for any one coverage or for any combination of coverages up to the Limit of Insurance shown in the Schedule for Catastrophe Allowance. This means that you have up to the amount specified to apply to insurance provided under this Coverage Part if applicable limits are not enough to compensate you for the loss that you incur.

This coverage may not be used to cover any deductible amount of this or any other policy.

##### **2. Rewards**

We may offer a reward for information which would lead to the arrest and conviction of the person(s) who caused the loss covered under this Coverage Part. Whether or not a reward is offered and the amount of such reward will be solely at our discretion. You may, at your option, add to the amount of the reward we offer, or you may offer a reward if we decide not to.

We will not reimburse you for any reward you offer or any related expenses. The reward that we offer would be advertised in your name, our name, or your name and ours.

##### **3. Soft Costs**

- a. We will pay the actual "Soft Costs" that you incur because of direct physical loss or damage to Covered Property by a Covered Cause of Loss. We will pay only those "Soft Costs":



- (1) That are over and above your "normal expenditures" for such costs; and
- (2) That are incurred during the period of time:

- (a) That begins on the date loss occurs; and
- (b) Ends one year after the date on which the construction, repairs, or replacement would be scheduled for completion.

Normal expenditures are expenses that would have been incurred by your operations had no loss or damage occurred.

- b. The most we will pay under this coverage for "Soft Costs" arising from any one occurrence is the Limit of Insurance shown in the Schedule of this endorsement.

#### 4. Personal Property

If a Limit of Insurance is shown in the Declarations for Real Property, we will also pay for direct physical loss of or damage to any one or more of the types of Personal Property as described in the Building and Personal Property Coverage Form under A. Coverages 1. c. Personal Property. If there is other insurance in this or any other policy covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance.

The most we will pay for loss or damage under this coverage is 10% of the Limit of Insurance for Real Property shown in the Declarations, but not more than \$50,000 in any one occurrence.

#### 5. Off Premises Services

We will pay for loss or damage to covered property that results from the failure of utility service to the "covered premises."

The failure must result from direct physical loss or damage by a covered cause of loss to the utility service not on the "covered premises."

Utility services means water supply services, communications supply services, and power supply services.

The most we will pay under this coverage in any one occurrence is the Limit of Insurance shown in the schedule of this endorsement.

#### H. LIMITS OF INSURANCE

The following are added under paragraph 2. of E. LIMITS OF INSURANCE of the Building and Personal Property Coverage Form:

1. Catastrophe Allowance
2. Rewards

3. Soft Costs
4. Personal Property
5. Off Premises Services

#### I. DEFINITIONS

1. "Soft Costs" means:

- (a) Realty taxes and other assessments attributed to the increased property values that result directly from construction or repair costs associated with loss or damage by a Covered Cause of Loss;
- (b) Increased interest and fees necessitated by the operation of a mortgage acceleration clause; and

- (c) Advertising and promotional expenses used to:

- (1) Inform your customers of your continuing business plans; or
- (2) Attract customers after loss or damage occurs to your property.

2. "Normal expenditures" are expenses that would have been incurred by your operations had no loss or damage occurred.

3. "Water supply services" means pumping stations and water mains supplying water to the "covered premises."

4. "Communication supply services" means:

- a. communication transmission lines;
- b. coaxial cables; and
- c. microwave radio relays, excluding satellites supplying communication services, including telephone, radio, microwave or television services to the "covered premises."

5. "Power supply services" means:

- a. utility generating plants;
- b. switching stations;
- c. substations;
- d. transformers; and
- e. transmission lines, supplying electricity, steam or gas to the "covered premises."



COMMERCIAL PROPERTY

## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

**A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. CONTROL OF PROPERTY**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

**D. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

**E. LIBERALIZATION**

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

**F. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

**G. OTHER INSURANCE**

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

**H. POLICY PERIOD, COVERAGE TERRITORY**

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.



POLICY NUMBER:  
ENDORSEMENT NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## TEXAS CAUSES OF LOSS COMPREHENSIVE FORM

This form is the only Causes of Loss form applicable to Covered Property located in the State of Texas.

Words and phrases that appear in quotation marks have special meaning. Refer to section F.- Definitions.

### A. COVERED CAUSES OF LOSS

Covered Causes of Loss, as used in this Coverage Part, means RISKS OF DIRECT PHYSICAL LOSS unless the loss or damage is excluded or limited by other provisions in this Coverage Part.

### B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

#### a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) That regulates or restricts the construction, installation, replacement, occupancy, operation, or use of any property.
- (2) That requires the demolition or tearing down of any property, including the cost of removing its debris.

#### b. Earth Movement

- (1) Any "earth movement" that begins before or is in progress when this insurance becomes effective. This exclusion applies even if the loss or damage occurs after this insurance becomes effective.
- (2) Any "earth movement" that begins after this insurance becomes effective. But fire, explosion, or "sprinkler leakage" resulting from "earth movement" is covered. This exclusion does not apply if the Earth Movement Optional Coverage is selected in the Declarations.

#### c. Flood

- (1) Any "flood" that begins before or is in progress when this insurance becomes effective. This exclusion applies even if the loss or damage occurs after this insurance becomes effective.
- (2) Any "flood" that begins after this insurance becomes effective. But fire or explosion resulting from "flood" is covered. This exclusion does not apply if the Flood-Optional Coverage is selected in the Declarations.

#### d. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

#### e. Nuclear Hazard

Nuclear reaction or nuclear radiation or radioactive contamination, however caused.

But if loss or damage by fire results, we will pay for that resulting loss or damage.

#### f. Off-Premises Services

The failure of power or other utility service supplied to "covered premises," however caused, if the failure occurs away from "covered premises."

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

#### g. War and Military Action

- (1) War, including undeclared or civil war;



POLICY NUMBER:

ENDORSEMENT NUMBER:

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign power, or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
2. We will not pay for loss or damage caused by or resulting from:
- a. Artificially generated electric current, including electric arcing, that damages or disturbs electrical devices, appliances, or wires.  
But if loss or damage by fire results, we will pay for that resulting loss or damage.
  - b. Delay, loss of use, or loss of market.
  - c. Smoke, vapor, or gas from agricultural smudging or industrial operations.
  - d. Explosion of steam boilers, steam pipes, steam engines, or steam turbines owned or leased by you, or operated under your control. But if loss or damage by fire or combustion explosion results, we will pay for that resulting loss or damage. We will also pay for loss or damage caused by or resulting from the explosion of gases of fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - e. Dishonest or criminal act by you, by any of your partners, employees, directors, trustees, or authorized representatives, or by anyone to whom you entrust the property for any purpose:
    - (1) Acting alone or in collusion with others; or
    - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
  - f. Voluntary parting with any property by you or anyone else to whom you have entrusted the property so if induced to do by any pretense or fraudulent scheme, trick, or device.
  - g. Rain, snow, ice, or sleet to personal property in the open.
  - h. "Mine Subsidence."
- i. Discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by any of the "specified causes of loss." But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss."
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss of damage.
- a. Wear and tear;
  - b. Rust, corrosion, mold, fungus, disease, decay, wet or dry rot, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
  - c. Smog;
  - d. Settling, cracking, shrinking, or expansion;
  - e. Insects, moths, birds, rodents, vermin, or other animals;
  - f. Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision.
  - g. The following causes of loss to personal property:
    - (1) Dampness or dryness of atmosphere;
    - (2) Changes in or extremes of temperature; or
    - (3) Marring or scratching.
4. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a covered Cause of Loss results, we will pay for that resulting loss or damage.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization, or governmental body.
  - c. Faulty, inadequate, or defective:
    - (1) Planning, zoning, development, surveying, or siting;

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POLICY NUMBER:  
ENDORSEMENT NUMBER:

COMMERCIAL PROPERTY  
HH 00 07 02 08

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, or compaction;
- (3) Materials used in repair, construction, renovation, or remodeling; or

- (4) Maintenance;

of part or all of any property on or off the "covered premises."

#### 5. Special Exclusions

- a. The following provisions shall also apply only with respect to loss or damage to valuable papers and records.

We will not pay for loss or damage caused by or resulting from:

- (1) Electrical or magnetic injury, disturbance, or erasure of electronic recordings. But we will pay for direct loss caused by lightning.
- (2) Errors in machine programming or instructions to machines.
- (3) Errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or explosion.
- (4) Operator or programmer error.
- (5) Unauthorized instructions to transfer property to any person or to any place.

- b. The following provisions shall also apply only with respect to loss of or damage to animals.

We will not pay for loss or damage caused by or resulting from:

- (1) Blizzards, snowstorms, freezing, or smothering. This exclusion does not apply to animals inside buildings when any of these occur.
- (2) Colds, disease, illness, infection, parturition, or other natural causes.

- c. The following provisions shall also apply only with respect to "extra expense," the Business Income Coverage Form, or the Extra Expense Coverage Form.

We will not pay for:

- (1) Any loss caused by or resulting from:

- (a) Damage or destruction of "finished stock"; or
- (b) The time required to reproduce "finished stock."

This exclusion does not apply to "extra expense" (or Extra Expense).

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.

- (3) Any increase of loss caused by or resulting from:

- (a) Delay in rebuilding, repairing, or replacing the property or resuming "operations," due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons; or

- (b) Suspens

POLICY NUMBER:  
ENDORSEMENT NUMBER:

COMMERCIAL PROPERTY  
HH 00 07 02 08

- (c) Any other consequential loss.
- e. The following provisions shall also apply but only with respect to the Legal Liability Coverage Form.
  - (1)



POLICY NUMBER:  
ENDORSEMENT NUMBER:

COMMERCIAL PROPERTY  
HH 00 07 02 08

All "earth movements" that occur within any 168-hour period will constitute a single occurrence by "earth movement." The expiration of this policy will not reduce the 168-hour period.

2. "Flood" means:

- a. Floods, flash floods, surface water, waves, tides, tidal waves or water, the rising or overflowing of any body of water, or their spray or runoff, all whether or not driven by wind.
- b. Mud-slide or mud-flow caused or precipitated by accumulation of water in, on, or under the ground.

"Flood" includes the unusual and rapid accumulation or runoff of surface waters from any source.

3. "Mine subsidence," means lateral or vertical movement, including collapse, resulting from collapse of manmade, underground mines.

4. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into manmade underground cavities.

5. "Specified cause of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Falling objects does not include loss or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

b. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

To the extent that the Earth Movement - Optional Coverage applies or the Flood - Optional Coverage applies, "specified causes of loss" shall include "flood" or "earth movement."

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FLOOD COVERAGE AMENDMENT AND LIMITATION**

This endorsement modifies insurance provided under the following:

**CAUSES OF LOSS COMPREHENSIVE FORM**  
**TEXAS CAUSES OF LOSS COMPREHENSIVE FORM**

The following is added to the EXCLUSIONS section and replaces section c. (1). and c. (2). Any "flood" affecting a location insured under this policy where any part of the location is situated wholly or partially in any of the following Federal Flood Hazard Zones:

Zone A, Zone AO, Zone AH, Zones A1 thru 30 (AE), Zone A-99, Zone V and Zones V1 thru 30 (VE).

If there is more than one Covered Premises insured under this policy, this exclusion shall apply only to those Covered Premises located wholly or partially in the Federal Flood Hazard Zones shown in this endorsement and shall apply even if Flood Optional Coverage is selected in the Declarations. Any loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

POLICY NUMBER: HHC 2000240 01

HH 00 09 02 08

ENDORSEMENT NUMBER:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****CAUSES OF LOSS - EARTHQUAKE FORM**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS--SPECIAL FORM

**SCHEDULE**

Prem No.	Bldg No.	Address
		See Schedule

**A. COVERED CAUSES OF LOSS**

Where a covered premises is shown in the schedule above, Covered Causes of Loss means the following for that specific premises:

1. Earthquake.
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

**B. EXCLUSIONS**

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

- b. Governmental Action

Seizure or destruction of property by order of governmental authority.

- c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

- d. Off-Premises Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

- e. War And Military Action



POLICY NUMBER: HHC 2000240 01

HH 00 09 02 08

ENDORSEMENT NUMBER:

- (1) War, including undeclared or civil war;
  - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
  - (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.
2. We will not pay for loss or damage caused by or resulting from:
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.
  - b. Fire, explosion (other than volcanic explosion), landslide, mine subsidence, tidal wave, flood, mudslide or mudflow, even if attributable to an Earthquake or Volcanic Eruption.
  - c. Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

3. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

- a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas, including their lead-in wiring, masts or towers.
  - (3) Any increase of loss caused by or resulting from:
    - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
    - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".
  - (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
  - (5) Any other consequential loss.
- b. Leasehold Interest Coverage Form
    - (1) Paragraph B.1.a. Ordinance or Law, does not apply to insurance under this Coverage Form.
    - (2) We will not pay for any loss caused by:
      - (a) Your cancelling the lease;

POLICY NUMBER: HHC 2000240 01

HH 00 09 02 08

**ENDORSEMENT NUMBER:**

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following Exclusions do not apply to insurance under this Coverage Form.

(a) Paragraph B.1.a., Ordinance or Law;

(b) Paragraph B.1.b., Governmental Action;

(c) Paragraph B.1.c., Nuclear Hazard;

(d) Paragraph B.1.d., Off-Premises Services; and

(e) Paragraph B.1.e., War and Military Action.

(2) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement.

(3) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. LIMITATION**

We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying:

1. The Deductible applicable to this form; or

2. The Additional Condition, Coinsurance, applicable to this Coverage Part.

This limitation does not apply if:

a. The premises description in the Declarations specifically states "Including Masonry Veneer"; or

b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).

**D. DEDUCTIBLE**

We will not pay for "loss" to a premises described in the Schedule above caused by or resulting from Earthquake or Volcanic Eruption until the amount of the adjusted "loss" exceeds the Deductible amount shown in the Multiple Deductible Form D for Earthquake Coverage. We will pay the amount of the adjusted "loss" that is in excess of the Earthquake Coverage Deductible up to the Limit of Insurance described in Section E below.

**POLICY NUMBER:** HHC 2000240 01

HH 00 09 02 08

**ENDORSEMENT NUMBER:**

**E. LIMITS OF INSURANCE:**

1. The most we will pay for all "losses" caused by or resulting from Earthquake or Volcanic Eruption to a premises described in the Schedule above is \$250,000 each occurrence and in the Annual Aggregate during any one policy period.
2. For the purposes of the Earthquake or Volcanic Eruption coverage provided in this endorsement, the limit provided in E(1.) applies as a blanket single limit to all covered items included in all Property, Time Element, and Property Coverage Extensions provided for a location described in the Schedule above under this policy.



**POLICY NUMBER:** HHC 2000240 01

HH 00 09 02 08

**ENDORSEMENT NUMBER:**

**SCHEDULE**

Prem No.	Bldg No.	Address
001	001	5050 Tanglewood Ln. Odessa, TX 79762
002	001	4100 East 50th Street Odessa, TX 79762

POLICY NUMBER:HHC 2000240 01

COMMERCIAL PROPERTY  
CP 04 11 09 17

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable
001	001	P-9
Describe Any "P-9": Operable Smoke Detectors In Each Unit		
002	001	P-9
Describe Any "P-9": Operable Smoke Detectors In Each Unit		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. The following is added to the Commercial Property Conditions:

#### Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;
2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

However, if part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

B. The following is added to the **Exclusions** section of:

Causes Of Loss – Basic Form  
Causes Of Loss – Broad Form  
Causes Of Loss – Special Form  
Mortgageholders Errors And Omissions Coverage Form  
Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph A.

C. The protective safeguards to which this endorsement applies are identified by the following symbols:

**"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
  - (1) Sprinklers and discharge nozzles;
  - (2) Ducts, pipes, valves and fittings;
  - (3) Tanks, their component parts and supports; and
  - (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
  - (1) Non-automatic fire protective systems; and
  - (2) Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- a. Connected to a central station; or
- b. Reporting to a public or private fire alarm station.

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

- a. Hood;
- b. Grease removal device;
- c. Duct system; and
- d. Wet chemical fire extinguishing equipment.

**"P-9"**, the protective system described in the Schedule.



COMMERCIAL PROPERTY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION - WINDSTORM OR HAIL**

This endorsement modifies insurance provided under the following

CAUSES OF LOSS - COMPREHENSIVE FORM  
TEXAS CAUSES OF LOSS - COMPREHENSIVE FORM

The following is added under the section **B.2. – EXCLUSIONS**:

We will not pay for loss, damage, or expenses caused by or resulting from:

1. Windstorm or hail regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage; or
2. Rain, snow, sand or dust, whether driven by wind or not, if the loss or damage would not have occurred but for the windstorm or hail.

But if windstorm or hail results in a cause of loss other than rain, snow, sand or dust, and that resulting cause of loss is a Covered Cause of Loss, we will pay for the loss or damage caused by such Covered Cause of Loss. For example, if the windstorm or hail damages a heating system and fire results, the loss or damage attributable to the fire is covered subject to any other applicable policy provisions.

In the **DEFINITIONS** section, windstorm or hail is deleted from the definition of "specified cause of loss."

**This exclusion shall only apply where any part of the covered premises is situated wholly or partially in any of the following counties:**

Alabama:	Baldwin, Covington, Escambia, Geneva, Houston
Connecticut:	Fairfield, New Haven, Middlesex, New London
Delaware:	Sussex
Georgia:	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
Hawaii:	All
Louisiana:	Assumption, Cameron, Iberia, Jefferson, Lafourch, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tamany, Terrebonne, Vermillion
Maine:	Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, York
Massachusetts:	Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, Suffolk
Mississippi:	Hancock, Harrison, Jackson
New Jersey:	Atlantic, Cape May, Monmouth, Ocean
New York:	Within one mile of the coast in: Kings, Nassau, Richmond, Suffolk
North Carolina:	Brunswick, Camden, Carteret, Currituck, Dare, Hyde, New Hanover, Onslow, Pender
Rhode Island:	Bristol, Kent, Newport, Washington
South Carolina:	Beaufort, Charleston, Colleton, Georgetown, Horry, Jasper
Texas:	Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio
Virginia:	Accomack, Chesapeake City, Norfolk City, Northhampton, Portsmouth City, Virginia Beach City

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ROOF - ACV**

**Policy Change Number:**

<b>POLICY NUMBER</b> HHC 2000240 01	<b>POLICY CHANGES EFFECTIVE</b> 08/26/2020	<b>COMPANY</b> Colony Insurance Company
<b>NAMED INSURED</b> Odessa Ventures LLC		<b>AUTHORIZED REPRESENTATIVE</b>
<b>COVERAGE PARTS AFFECTED</b>		
<p>This endorsement modifies insurance provided under the following: <b>BUILDING AND PERSONAL PROPERTY COVERAGE FORM</b></p> <p>Paragraph G. <b>LOSS CONDITIONS</b> 7. b. is amended to add:</p> <p>(3) For roofs 15 years or older.</p>		

\_\_\_\_\_  
Authorized Representative Signature

POLICY NUMBER: HHC 2000240 01

COMMERCIAL PROPERTY  
CP 12 18 10 12**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE FORM  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
STANDARD PROPERTY POLICY

**SCHEDULE**

<b>Location Number:</b> 001	<b>Building Number:</b> 001	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.): C.1., C.2.
<b>Description Of Property:</b> 5050 Tanglewood Ln. Odessa, TX 79762		
<b>Loss Payee Name:</b> Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA		
<b>Loss Payee Address:</b> 110 East 59th Street, 6th Floor New York, NY 10022		
<b>Location Number:</b> 002	<b>Building Number:</b> 001	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.): C.1., C.2.
<b>Description Of Property:</b> 4100 East 50th Street Odessa, TX 79762		
<b>Loss Payee Name:</b> Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA		
<b>Loss Payee Address:</b> 110 East 59th Street, 6th Floor New York, NY 10022		
<b>Location Number:</b>	<b>Building Number:</b>	<b>Applicable Clause</b> (Enter C.1., C.2., C.3. or C.4.):
<b>Description Of Property:</b>		
<b>Loss Payee Name:</b>		
<b>Loss Payee Address:</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		



- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in this endorsement is replaced by the term Policy.
- B. Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.
- C. The following is added to the **Loss Payment** Loss Condition, as indicated in the Declarations or in the Schedule:

**1. Loss Payable Clause**

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

- a. Adjust losses with you; and
- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear

**2. Lender's Loss Payable Clause**

- a. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- (1) Warehouse receipts;
- (2) A contract for deed;
- (3) Bills of lading;
- (4) Financing statements; or
- (5) Mortgages, deeds of trust, or security agreements.

- b. For Covered Property in which both you and a Loss Payee have an insurable interest:

- (1) We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- (2) The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.

- (3) If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (a) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (b) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (c) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- (4) If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (b) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

- c. If we cancel this policy, we will give written notice to the Loss Payee at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- d. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

**3. Contract Of Sale Clause**

- a. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered into a contract with for the sale of Covered Property.
- b. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
  - (1) Adjust losses with you; and
  - (2) Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
- c. The following is added to the **Other Insurance** Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**4. Building Owner Loss Payable Clause**

- a. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building in which you are a tenant.
- b. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
- c. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.



**MANDATORY BINDING ARBITRATION ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**

**THIS ENDORSEMENT MODIFIES COVERAGE UNDER THE FOLLOWING:**

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

1. If we and you (each a "party") disagree on the value of the property or the amount of the loss, or have any other disagreement or dispute relating to or arising out of appraisal, it is mutually agreed that any and all such disagreements and/or disputes shall be submitted to mandatory binding arbitration as the sole and exclusive remedy. The terms of this Endorsement shall apply to all such disputes without reference to when they arise, including after expiration or termination of this policy.
2. The party initiating arbitration shall notify the other party in writing of its demand for arbitration together with the identity of the initiating party's chosen Arbitrator. The non-initiating party shall then have thirty (30) days to respond to the initiating party with written notice of the identity of its Arbitrator. The two Arbitrators selected shall then choose a third Arbitrator to act as an Umpire. If the two Arbitrators fail to agree on an Umpire after thirty (30) days, each Arbitrator shall submit a list of three (3) proposed individuals. Each Arbitrator shall choose one (1) name from the other Arbitrator's list and the resulting two (2) names shall be subject to a draw by lots of one name, who shall then serve as Umpire.
3. The dispute shall be submitted to the panel comprised of the three (3) Arbitrators by oral and written evidence at a hearing the time and location of which shall be determined by the Umpire, provided however that all arbitrations shall be held in Dallas County, Texas, unless otherwise mutually agreed to by the parties in writing, or as required by law. The Arbitration panel shall have authority and jurisdiction to resolve disputes, if any, regarding whether the matters before them are properly arbitrable. Within sixty (60) days of the appointment of the Umpire, each party shall submit a written settlement offer to the arbitration panel, setting forth the terms which such party would be willing to accept in final settlement of the dispute or disagreement. The arbitration panel may, in its sole discretion, conduct a hearing on each party's offer, during which each party may present evidence. If conducting hearings, the Arbitrators shall be relieved of all judicial formalities, shall not be required to adhere to the strict rules of evidence, and shall not apply the doctrine of *contra proferentem* or otherwise construe this policy or any document received in evidence for or against either party based upon the identity of its drafter.
4. Within ten (10) days after submission by each party of their settlement offers, or after the conclusion of the last hearing, the arbitration panel shall adopt as its decision one of the two settlement offers submitted by the parties. The Arbitrators' decision shall be final and



HH 00 22 12 19

binding and shall not be subject to appeal. Each party shall bear its own legal expenses and except to the extent otherwise required by law shall share equally the cost of the Umpire other costs of the arbitration proceedings, provided however that if required by law, we shall bear all of the costs of the arbitration other than your legal costs.

5. In the event of a conflict between the terms of this Endorsement and any other terms of the policy or other endorsements to it, the terms of this Endorsement shall control.
6. The invalidity or unenforceability of any provisions of this Endorsement shall not affect the validity or enforceability of any other provision of this Endorsement, which shall remain in full force and effect if and to the extent that they may be enforced without frustration of the parties' basic intent.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF LOSS DUE TO COMMUNICABLE DISEASE**

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – COMPREHENSIVE FORM

CAUSES OF LOSS – SPECIAL FORM

A. The following is added to the **EXCLUSIONS** Section:

We will not pay for loss, damage, costs or expenses caused directly or indirectly to any buildings or personal property affected from any "communicable disease". This loss, damage, costs or expenses (including clean-up, detoxify, removal, monitoring or testing) includes any claims or allegations arising out of, attributed to, connected with, currently occurring or the actual or perceived fear or threat by or resulting from any "communicable disease".

B. The following is added to the **DEFINITIONS** Section:

"Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

AG 00 01 01 18

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**  
**EXCLUSION OF COSMETIC DAMAGE CAUSED BY WINDSTORM OR HAIL**

**THIS ENDORSEMENT MODIFIES COVERAGE UNDER THE FOLLOWING:**

**CAUSES OF LOSS COMPREHENSIVE FORM**

**TEXAS CAUSE OF LOSS COMPREHENSIVE FORM**

- 1. CAUSES OF LOSS COMPREHENSIVE FORM, Section C 1. LIMITATIONS is hereby amended to add the following:**

**f.** We will not pay for "cosmetic" loss or damage to roofing systems (including roofing jacks, flashing, edging or roof vents), air conditioning units, or carports, caused by Windstorm or Hail perils.

"Cosmetic" loss or damage means damage that alters the physical appearance of the Covered Property but does not result in the failure of the Covered Property to perform its intended function.

All other terms and conditions remain unchanged.

AG 00 01 01 18



**IMPORTANT NOTICE**

**ASBESTOS EXCLUSION**

**COMPUTER RANDOM ATTACK  
AND DENIAL OF SERVICES EXCLUSION**

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THIS NOTICE IS TO INFORM YOU OF TWO EXCLUSIONS THAT HAVE BEEN ADDED TO YOUR POLICY. PLEASE READ THE FOLLOWING ENDORSEMENTS CAREFULLY.

Endorsement AP 00 25 02 08 Asbestos Exclusion

This endorsement excludes direct and indirect loss involving asbestos material or asbestos-containing material. The exclusion contains an exception to pay for the cost to repair, replace and abate the asbestos material and remove the debris from your premises when the asbestos is physically damaged by a Covered Cause of Loss. The endorsement also excludes loss due to any enforcement of an ordinance or law.

Endorsement AP 00 26 02 08, Computer Random Attack and Denial of Services Exclusion

This endorsement excludes direct and indirect loss from computer virus, hacking events or random attacks, when they occur on a non-specific basis. If your computer equipment is specifically targeted, the exclusion does not apply. This endorsement also excludes indirect loss by the denial of services.

*Note: This summary is not a substitute for the provisions of the endorsements. The policy alone determines the scope of your insurance protection. If you have any questions about your policy, contact your insurance agent.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**"MOLD OR OTHER FUNGI", WET OR DRY ROT, OR "BACTERIA"  
EXCLUSION WITH ADDITIONAL LIMITED COVERAGE**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**  
BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – BASIC, BROAD, SPECIAL OR COMPREHENSIVE FORM  
INLAND MARINE COVERAGE FORM  
SUPERIOR PROPERTY PROGRAM

1. The following Exclusion is added. With respect to the loss or damage addressed herein, this exclusion supersedes any other exclusion that addresses "mold or other fungi", wet or dry rot or "bacteria".

**"Mold or other fungi", wet or dry rot, or "bacteria"**

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "mold or other fungi", wet or dry rot, or "bacteria". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

We will not pay for the costs associated with the enforcement of any ordinance, regulation, or law which requires you or anyone else to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of "mold or other fungi", wet or dry rot, or "bacteria". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

2. The following Exclusion is added.

**Seepage or Leakage**

We will not pay for "mold or other fungi", wet or dry rot, or "bacteria" loss or damage caused by or resulting from water or steam that seeps or leaks, or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of 14 days or more.

3. The following Additional Coverage is added to your Policy:

**Limited Coverage for "mold or other fungi", wet or dry rot, or "bacteria"**

- a. The coverage described in **3.b.**, and **3.f.**, only applies when the "mold or other fungi", wet or dry rot or "bacteria", is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(1) A "specified cause of loss"; or



- (2) Flood, if Flood Coverage applies to the affected premises.
- (3) Earthquake, if Earthquake Coverage applies to the affected premises.
- b. We will pay for loss or damage by "mold or other fungi", wet or dry rot or "bacteria". As used in this Limited Coverage, the term loss or damage means:
  - (1) Direct physical loss or damage to Covered Property caused by "mold or other fungi", wet or dry rot or "bacteria", including the cost of removal of the "mold or other fungi", wet or dry rot or "bacteria";
  - (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "mold or other fungi", wet or dry rot or "bacteria"; and
  - (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "mold or other fungi", wet or dry rot or "bacteria" are present.
- c. The coverage described under 3.b., of this Limited Coverage is limited to \$15,000. This limit is the most we will pay regardless of the number or type of coverages that may apply, the number of locations, or regardless of the number or type of "mold or other fungi", wet or dry rot or "bacteria" that caused the loss or damage, and regardless of the number of claims. This limit is the most we will pay for the total of all loss or damage arising out of all occurrences described in 3.a., which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "mold or other fungi", wet or dry rot or "bacteria", we will not pay more than a total of \$25,000 even if the "mold or other fungi", wet or dry rot or "bacteria", wet or dry rot or "bacteria" continues to be present or active, or recurs, in a later policy period.
- d. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "mold or other fungi", wet or dry rot or "bacteria", and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "mold or other fungi", wet or dry rot or "bacteria", loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "mold or other fungi", wet or dry rot or "bacteria" causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- e. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverage -- Collapse, if such Additional Coverage applies to your policy.
- f. The following, 3.f.(1) or 3.f.(2) applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form.
  - (1) If the loss which resulted in "mold or other fungi", wet or dry rot or "bacteria" does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "mold or other fungi", wet or dry rot or "bacteria", then our payment under Business Income and/or Extra Expense



is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

- (2) If a covered "suspension" of "operations" was caused by loss or damage other than "mold or other fungi", wet or dry rot or "bacteria" but remediation of "mold or other fungi", wet or dry rot or "bacteria" prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

4. The following Definitions are added:

"bacteria" means any type or form of bacterium or any mycotoxin, spore, scent or byproduct that is produced or released by such bacterium.

"mold or other fungi" means any type or form of mold or mildew, any other type or form of fungus, or any mycotoxin, spore, scent, or byproduct that is produced or released by such mold, mildew, or other fungus.

"specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or similar rock formations. This cause of loss does not include:
  - (1) The cost of filling sinkholes, or;
  - (2) Sinking or collapse of land into man-made underground cavities.
- b. Falling objects does not include loss or damage to:
  - (1) Personal property in the open; or
  - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

"suspension" means the slowdown or cessation of your business activities, or that a part or all of the described premises is rendered untenable, if coverage for Business Income including Rental Value applies.

COMMERCIAL PROPERTY  
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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### **ASBESTOS EXCLUSION**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE – SECTION I - PROPERTY  
CAUSES OF LOSS – BASIC, BROAD, SPECIAL OR COMPREHENSIVE FORM  
PROPERTY EXCESS FOLLOWING FORM POLICY  
INLAND MARINE COVERAGE FORM  
SUPERIOR PROPERTY PROGRAM**

The following Exclusion is added or replaces any exclusion pertaining to asbestos and supersedes any other exclusion, preclusion of coverage or exception to any exclusion pertaining to asbestos.

We will not pay for any loss or damage, increased costs, loss of use, or any other type of loss or damage of any description, involving asbestos material or asbestos-containing material whether physically damaged or not.

However, we will pay for the cost to repair, replace and abate the asbestos material and remove the asbestos material debris from the premises, if the asbestos itself is physically damaged or destroyed by a Covered Cause Of Loss. In no event, is this limited coverage extended to the costs of storage of, or for, any asbestos material.

We will not pay any loss or damage, loss of use, or for any costs associated with the enforcement of any ordinance, regulation, or law which requires you or anyone else to test for, monitor, clean up, remove, repair, modify, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of asbestos or asbestos-containing material. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**ALL OTHER TERMS AND CONDITIONS OF YOUR POLICY REMAIN THE SAME.**



This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM, and as applicable;  
CAUSES OF LOSS COMPREHENSIVE FORM, or  
TEXAS - CAUSES OF LOSS COMPREHENSIVE FORM

1. Section A.13., POLLUTANT CLEAN UP, of the Building And Personal Property Coverage Form is replaced by the following:

**P o l l u t a n t     C l e a n     u p**

- a. We will pay your pollutant and contaminant cleanup expenses only if:
  - (1) You report the pollutant and contaminant cleanup expenses to us in writing within 180 days of the date on which the Covered Cause of Loss occurs; and
  - (2) The discharge, dispersal, seepage, migration, release, growth, or escape of the "pollutants" or contaminants is caused by or results from a Covered Cause of Loss that occurs during the policy period.
- b. Pollutant and contaminant cleanup expenses are amounts that are incurred:
  - (1) To extract, remove, or cleanup "pollutants" or contaminants from land, air or water; or
  - (2) To remove, restore, or replace polluted or contaminated land, air or water; at "covered premises."



The most we will pay under this coverage for all "covered premises" combined is \$25,000 for the sum of all pollutant and contaminant cleanup expenses arising from Covered Causes of Loss occurring during each separate twelve month period of this policy.

2. Paragraph 2.j. Section B., EXCLUSIONS, of the Causes Of Loss Comprehensive Form, or Paragraph 2.i. Section B., EXCLUSIONS, of the Texas - Causes Of Loss Comprehensive Form is replaced by the following:

Discharge, dispersal, seepage, migration, release, growth or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, growth, or escape is itself caused by any of the "specified causes of loss". But if loss or damage by the "specified causes of loss" results, we will pay for the resulting damage caused by the "specified causes of loss".

3. Section B.3., EXCLUSIONS, of the Causes Of Loss Comprehensive Form or the Texas - Causes Of Loss Comprehensive Form is replaced by the following:

**B.3.** We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by the "specified causes of loss" or building glass breakage results, we will pay for that resulting loss or damage. To the extent mold, fungi, bacteria, or similar microbial contamination is caused by or results from, concurrently or in any sequence with a loss caused by these perils, the most we will pay for all "covered premises" is \$25,000 for the sum of all mold, fungi, bacterial or similar microbial contamination, damage, or remediation expenses arising from Covered Causes of Loss occurring during each separate twelve month period of this policy.

- . Wear and tear;
  -  . Rust, corrosion, mold, fungus, disease, decay, wet or dry rot, deterioration, hidden or latent defect, or any quality in property that causes it to damage or destroy itself;
  - c. Smog;
  - d. Settling, cracking, shrinking, or expansion;
    - . Insects, moths, birds, rodents, vermin, or other animals;
  - f. Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any resulting loss or damage caused by elevator collision.
  - . The following causes of loss to personal property:
    - (1) Dampness or dryness of atmosphere;
    - (2) Changes in or extremes of temperature; or
    - (3) Marring or scratching.
4. Paragraph 5. of Section E., DEFINITIONS, of the Causes Of Loss Comprehensive Form or the Texas - Causes Of Loss Comprehensive Form is replaced by the following:
- E.5. "Specified cause of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; water damage. To the extent mold, fungi, bacteria, or similar microbial contamination is caused by or results from, concurrently or in any sequence with a loss caused by these perils, the most we will pay for all "covered premises" is \$25,000 for the sum of all mold, fungi, bacterial or similar microbial contamination, damage, or remediation expenses arising from Covered Causes of Loss occurring during each separate twelve month period of this policy.
- . Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  -  . Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.
- To the extent that the Earth Movement - Optional Coverage applies or the Flood - Optional Coverage applies, "specified causes of loss" shall include "flood" or "earth movement".



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMPUTER RANDOM ATTACK AND DENIAL OF SERVICES EXCLUSION**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE – SECTION I - PROPERTY  
CAUSES OF LOSS – BASIC, BROAD, SPECIAL OR COMPREHENSIVE FORM  
INLAND MARINE COVERAGE FORM  
SUPERIOR PROPERTY PROGRAM**

### **A. Exclusions**

The following Exclusions are added or replace any exclusions pertaining to any "random attack", "hacking event", or a "computer virus" or "denial of services"; and supersede any other exclusions, preclusion of coverages or exceptions to any exclusions pertaining to any "random attack", "hacking event", or a "computer virus" or "denial of services".

#### **1. "Random Attack" – "Hacking Event" or "Computer Virus"**

We will not pay for any loss or damage caused directly or indirectly from a "random attack" by a "hacking event" or "computer virus". Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This exclusion does not apply to a "specific attack" to your computer equipment.

#### **2. "Denial of Services"**

We will not pay for any loss of use, loss of earnings, or any extra expense caused by or resulting from the "denial of services".

### **Definitions**

The following definitions are added:

"Computer virus" means a piece of code that is maliciously or fraudulently introduced into a computer or telecommunications system. Once introduced, the virus may destroy, alter, contaminate, or degrade the integrity, quality, or performance of data or any computer application software, computer network, or computer operating system and related software. "Computer virus" shall not be limited to a virus, but includes all methods described, such as worms and trojans.

"Denial of services" means an intentional specific or "random attack" on your computer system or telecommunications system for the purposes of nuisance, sabotage, or malicious tampering which has the effect of:

- a. depleting system resources available through the Internet to authorized external users of your computer system or telecommunications systems; or
- b. impeding Internet access of authorized external users to your computer system or telecommunications system.



"Hacking event" means an attack that allows unauthorized access or use of a computer or telecommunications system by electronically circumventing a security system or procedure.

"Random attack" means the widespread attack, by a "hacking event" or "computer virus", directed against the computer systems, software, data, or telecommunications systems of multiple organizations or persons who are not part of you, rather than solely at your computer systems, software, data, or telecommunications systems. Such attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

"Specific attack" means the intentional attack, by a "hacking event" or "computer virus", directed solely at your computer system, software, data or telecommunications system, when the attack is intended for the purpose of fraud, nuisance, or malicious tampering or destruction.

ALL OTHER TERMS AND CONDITIONS OF YOUR POLICY REMAIN THE SAME.

COMMERCIAL PROPERTY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EQUIPMENT BREAKDOWN EN**

- Goods coverage, and, if shown as covered, actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000.
- (c) Perishable Goods
- (i) We will pay for your loss of "perishable goods" due to spoilage.
  - (ii) We will also pay for your loss of "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia.
  - (iii) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
  - (iv) If you are unable to replace the "perishable goods" before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the "perishable goods" at the time of the "Accident", less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
  - (v) Additional Definition. For the purpose of this coverage, "perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- The most we will pay for loss or damage under this coverage is \$25,000.
- (d) Computer Equipment

We will pay for loss or damage caused by or resulting from an "Accident" to "computer equipment".

"Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.

"Media" means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic data processing equipment.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$25,000.

(e) CFC Refrigerants

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (i) Repair the damaged property and replace any lost CFC refrigerant;
- (ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (iii) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

The most we will pay for loss or damage under this coverage, including loss under Perishable Goods coverage, and, if shown as covered, actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$25,000.



- (f) Service Interruption  
Any insurance provided for Business Income, Extra Expense and Perishable Goods is extended to apply to loss caused by or resulting from an "Accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.
- (g) Demolition and Increased Cost of Construction  
If an "Accident" to "covered equipment" damages a building that is Covered Property; and the loss is increased by enforcement of any ordinance or law in force at the time of the "Accident" that regulates the construction or repair of buildings, or establishes zoning or land use requirements, we will pay for the following additional costs to comply with such ordinance or law;
- (i) Your actual expenditures for the cost to demolish and clear the site of undamaged parts.
- (ii) Your actual expenditures for increased costs to repair, rebuild or construct the building. If the building is repaired or rebuilt, it must be intended for similar use or occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (iii) Your loss as described in Business Income and Extra Expense coverages, if shown as covered, caused by loss covered in (i) or (ii) above.
- We will not pay for:
- (iv) Any fine;
- (v) Any liability to a third party;
- (vi) Any increase in loss due to a "hazardous substance"; or
- (vii) Increased construction costs until the building is actually repaired or replaced.
- The most we will pay for loss or damage under this coverage is \$25,000.
- (3) Conditions
- (a) Suspension  
When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "Accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.
- (b) Jurisdictional Inspections  
If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.
- B. The CAUSES OF LOSS FORM which is part of this Coverage Part is modified as follows:
- (a) All exclusions and limitations apply except:
- (i) In the Causes of Loss—Special Form, Exclusions B.2.a., B.2.d.(6) and B.2.e.; and Limitations C.1.a. and C.1.b.
- (ii) In the Causes of Loss—Comprehensive Form, Exclusions B.2.a., B.2.d., and B.3.f.; and

- Limitations C.1.a. and C.1.b.
- (iii) In the Causes of Loss—Broad Form, Exclusions B.2.a., B.2.b. and B.2.c.
- (iv) In the Causes of Loss Basic Form, Exclusions B.2.a., B.2.d. and B.2.e.
- (b) The exclusions are modified as follows:
- (i) The following is added to Exclusion B.1.g.(1) in the Causes of Loss—Special Form or the Causes of Loss—Comprehensive Form: However, if electrical "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance.
- (ii) As respects this endorsement only, the last paragraph of Exclusion B.2.d. in the Causes of Loss—Special Form is deleted and replaced with the following:  
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "Accident," we will pay for the loss or damage caused by that "Accident".
- (iii) As respects this endorsement only, the first paragraph of Exclusion B.3. in the Causes of Loss—Comprehensive Form is deleted and replaced with the following:  
We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by an "Accident" results, we will pay for that resulting loss or damage.
- (c) None of the following is "covered equipment":
- (i) structure, foundation, cabinet, compartment or air supported structure or building;
- (ii) insulating or refractory material;
- (iii) sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
- (iv) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (v) vehicle, dragline, excavation or construction equipment; or
- (vi) equipment manufactured by you for sale.
- (d) We will not pay under this endorsement for loss or damage caused by or resulting from:
- (i) your failure to use all reasonable means to protect the "perishable goods" from damage following an "Accident";
- (ii) any defect, virus, loss of data or other situation within "media". But if loss or damage from an "Accident" results, we will pay for that resulting loss or damage; or
- (iii) any of the following tests:  
a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or  
an insulation breakdown test of any type of electrical equipment.
- (e) With respect to Service Interruption coverage and Perishable Goods coverage, we will also not pay for loss or damage caused by or resulting

from: fire; lightning; windstorm or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing or collapse.

- (f) We will not pay under this endorsement for loss of or damage to animals.

The most we will pay for loss or damage under this endorsement is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EQUIPMENT BREAKDOWN ENDORSEMENT  
FLOOD AND EARTHQUAKE EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUILDING AND PER**

COMMERCIAL PROPERTY  
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

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D.

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COMMERCIAL PROPERTY  
IRMCP 01 42 09 19

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## TEXAS CHANGES

This endorsement modifies insurance provided under the following:

### COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

**A.** When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part is replaced by the term Policy.

#### **B. Legal Action Against Us**

**1.** The **Legal Action Against Us** Commercial Property Condition is replaced by the following, except as provided in **B.2.** below:

##### **Legal Action Against Us**

**a.** Except as provided in Paragraph **b.**, no one may bring a legal action against us under this Coverage Part unless:

- (1)** There has been full compliance with all of the terms of this Coverage Part; and
- (2)** The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.

**b.** With respect to loss or damage in the State of Texas caused by windstorm or hail in the catastrophe area as defined by the Texas Insurance Code, no one may bring a legal action against us under this Coverage Part unless:

- (1)** There has been full compliance with all the terms of this Coverage Part; and
- (2)** The action is brought within the earlier of the following:
  - (a)** Two years and one day from the date we accept or reject the claim; or
  - (b)** Three years and one day from the date of the loss or damage that is the subject of the claim.

**2.** Paragraph **B.1.** above does not apply to the Legal Action Against Us Loss Condition in the Legal Liability Coverage Form **CP 00 40**.

#### **C. Appraisal**

**1.** Except as provided in **C.2.** below, the **Appraisal** Loss Condition in the:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM;  
BUILDERS RISK COVERAGE FORM;  
CONDOMINIUM ASSOCIATION COVERAGE FORM;  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM;  
EXTRA EXPENSE COVERAGE FORM;  
LEASEHOLD INTEREST COVERAGE FORM;  
TOBACCO SALES WAREHOUSES COVERAGE FORM; and  
STANDARD PROPERTY POLICY

is replaced by the following:

##### **Appraisal**

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. Each appraiser will state the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a.** You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b.** We will still retain our right to deny the claim.



**2. The Appraisal Condition in the:**

BUSINESS INCOME (AND EXTRA  
EXPENSE) COVERAGE FORM; and  
BUSINESS INCOME (WITHOUT EXTRA  
EXPENSE) COVERAGE FORM

is replaced by the following:

**Appraisal**

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense and the amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding as to the amount of loss. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal:

- a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Property Condition; and
- b. We will still retain our right to deny the claim.

**D. Under the Duties In The Event Of Loss Or Damage Loss Condition:**

- a. The provision requiring signed, sworn proof of loss is replaced by the following:

Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.

**E. Under the Loss Payment Condition, the provisions pertaining to notice of our intentions and the time period for payment of claims are deleted and replaced by the following:****1. Claims Handling**

- a. Within 15 days after we receive written notice of claim, we will:

- (1) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;

- (2) Begin any investigation of the claim; and

- (3) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

**b. We will notify you in writing as to whether:**

- (1) The claim or part of the claim will be paid;

- (2) The claim or part of the claim has been denied, and inform you of the reasons for denial;

- (3) More information is necessary; or

- (4) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in b.(1) through b.(4) above, within:

- (1) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or

- (2) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim within 45 days of such notice.

2. We will pay for covered loss or damage within five business days after:

- a. We have notified you that payment of the claim or part of the claim will be made and have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this Coverage Part, we will make payment within five business days after the date you have complied with such terms.

The following paragraphs are added:

**3. Catastrophe Claims**

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in **E.1.** and **E.2.** above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which:

- a. Is declared a disaster under the Texas Disaster Act of 1975; or
- b. Is determined to be a catastrophe by the State Board of Insurance.

4. The term "business day", as used in the Loss Payment Condition, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

- F. The following is added to the **Valuation** Loss Condition:

**Chapter 862 – Subsection 862.053. Policy A Liquidated Demand.** A fire insurance policy, in case of total loss by fire of property insured, shall be held and considered to be a liquidated demand against the Company for the full amount of such policy. This subsection does not apply to personal property.

- G. Paragraphs **d.** and **f.** of the **Mortgageholders** Additional Condition are replaced by the following:

- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 91 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- f. If this policy is cancelled, we will give the mortgageholder named in the Declarations written notice of cancellation.

If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 14 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

If you cancel the policy, we will give the mortgageholder notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

- H. The following is added to Paragraph **D.1.** in the **Duties In The Event Of Accident, Claim Or Suit** Loss Condition in the Legal Liability Coverage Form:

We will notify the first Named Insured in writing of:

- 1. An initial offer to settle a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 10th day after the date on which the offer is made.
- 2. Any settlement of a claim made or "suit" brought against the insured under this coverage. The notice will be given not later than the 30th day after the date of the settlement.



CRIME AND FIDELITY  
CR 01 99 10 10

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES – LEGAL ACTION AGAINST US**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
GOVERNMENT CRIME COVERAGE FORM  
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

The **Legal Action Against Us** Condition is replaced by the following:

### **Legal Action Against Us**

You may not bring any legal action against us involving loss unless:

1. There has been full compliance with all of the terms of this insurance; and
2. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.



CRIME AND FIDELITY  
CR 02 47 12 19

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY  
KIDNAP/RANSOM AND EXTORTION POLICY

**A. Paragraph b.(2) of the Cancellation Of Policy Condition is replaced with the following:**

**b.(2)** We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.

**B. The following is added to the Cancellation Of Policy Condition:**

**(7)** If this Policy has been in effect for 60 days or less, we may cancel for any reason except that, under the provisions of the Texas Insurance Code, we may not cancel this Policy solely because the policyholder is an elected official.

**(8)** If this Policy has been in effect for more than 60 days, or if it is a renewal or continuation of a policy issued by us, we may cancel only for one or more of the following reasons:

- (a)** Fraud in obtaining coverage;
- (b)** Failure to pay premiums when due;
- (c)** An increase in hazard within the control of the insured which would produce an increase in rate;
- (d)** Loss of our reinsurance covering all or part of the risk covered by the Policy; or
- (e)** If we have been placed in supervision, conservatorship or receivership and the cancellation is approved or directed by the supervisor, conservator or receiver.

**C. The following is added and supersedes any other provision to the contrary:**

### **Nonrenewal**

- 1.** We may elect not to renew this Policy except that, under the provisions of the Texas Insurance Code, we may not refuse to renew this Policy solely because the policyholder is an elected official.
- 2.** If we elect not to renew this Policy, we may do so by mailing or delivering to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, not later than the 60th day before the expiration date. If notice is mailed or delivered later than the 60th day before the expiration date, this Policy will remain in effect until the 61st day after the date on which the notice is mailed or delivered. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the previous year's rate.

**D. The following is added to Section E. Conditions:**

### **Claims Handling**

- 1.** Not later than 15 days after we receive written notice of claim, we will:
  - a.** Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
  - b.** Begin any investigation of the claim; and

- c. Request all items, statements, and forms that we reasonably believe, at that time, will be required from you. We will supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.
- 2. We will notify you in writing as to whether:
  - a. The claim or part of the claim will be paid;
  - b. The claim or part of the claim has been denied, and inform you of the reasons for denial;
  - c. More information is necessary; or
  - d. We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

We will provide notification, as described in 2.a. through 2.d., not later than 15 business days after the date we receive all items, statements, and forms we required to secure final proof of loss.

If we have notified you that we need additional time to reach a decision, we must then either approve or deny the claim not later than 45 days after the date of such notice.

- 3. We will pay for covered loss or damage not later than the fifth business day after we have notified you that payment of the claim or part of the claim will be made.  
 However, if payment of the claim or part of the claim is conditioned on your performance of an act, we will make payment not later than the fifth business day after the date the act is performed.
- 4. The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

- E. The **Legal Action Against Us** Condition is replaced by the following:

**Legal Action Against Us**

- 1. You may not bring any legal action against us involving loss unless:
  - a. There has been full compliance with all of the terms of this Policy; and
  - b. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
- F. Under the Government Crime Policy and the Government Employee Theft and Forgery Policy, Paragraph (2) of the **Cancellation Of Policy** Condition is replaced by the following:
  - (2) We may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation, stating the reason for cancellation, at least 10 days before the effective date of cancellation.
    - (a) If this Policy has been in effect for 90 days or less, we may cancel for any reason except that, under provisions of the Texas Insurance Code, we may not cancel this Policy solely because the policyholder is an elected official.
    - (b) If this Policy has been in effect for more than 90 days, we may cancel this Policy if:
      - (i) The Named Insured does not pay any portion of the premium when due;
      - (ii) The Insured submits a fraudulent claim;

- (iii) The Texas Department of Insurance determines that continuation of the Policy would result in a violation of the Insurance Code or other law governing the business of insurance in the state; or
- (iv) There is an increase in the hazard covered by the Policy that is within the control of the Insured and that would produce an increase in the premium rate of the Policy.

G. Under the Government Crime Policy and the Government Employee Theft and Forgery Policy, the following is added and supersedes any other provision to the contrary:

**Nonrenewal**

If we elect not to renew this Policy, we will mail or deliver to the first Named Insured, at the last mailing address known to us, written notice of nonrenewal, stating the reason for nonrenewal, at least 30 days before the expiration date.



POLICY NUMBER: IHC 2000240 01

CRIME AND FIDELITY  
CR DS 01 08 13

## CRIME AND FIDELITY COVERAGE PART DECLARATIONS (COMMERCIAL ENTITIES)

The Crime And Fidelity Coverage Part (Commercial Entities) consists of this Declarations Form and the Commercial Crime Coverage Form.

**Coverage Is Written:**

☒ Primary
 ☐ Excess
 ☐ Coindemnity
 ☐ Concurrent

Employee Benefit Plan(s) Included As Insureds:
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Insuring Agreements	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft	Not Covered	
2. Forgery Or Alteration	Not Covered	
3. Inside The Premises - Theft Of Money And Securities	Not Covered	
4. Inside The Premises - Robbery Or Safe Burglary Of Other Property	Not Covered	
5. Outside The Premises	Not Covered	
6. Computer And Funds Transfer Fraud	Not Covered	
7. Money Orders And Counterfeit Money	Not Covered	
If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this Policy are deleted.		

If Added By Endorsement:		
Insuring Agreement(s)	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
<b>Endorsements Forming Part Of This Coverage Part When Issued:</b> See Schedule of Forms and Endorsements		

Insuring Agreement(s)	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence

**Endorsements Forming Part Of This Coverage Part When Issued:**  
See Schedule of Forms and Endorsements

**Cancellation Of Prior Insurance Issued By Us:**

By acceptance of this Coverage Part you give us notice cancelling prior policy Numbers  
; the cancellation to be effective at the time this Coverage Part becomes effective.

**Countersignature Of Authorized Representative**

Name:

Title:

Signature:

Date:

COMMERCIAL GENERAL LIABILITY  
CG P 001 07 04

## REVISIONS TO ADDITIONAL INSURED ENDORSEMENTS ADVISORY NOTICE TO POLICYHOLDERS

This Notice does **NOT** form a part of your insurance contract. The Notice is designed to alert you to coverage changes in several additional insured endorsements in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply. Please read your policy, and the endorsements attached to your policy, carefully.

This Notice contains a brief synopsis of the revisions to the following endorsements:

- **CG 20 07 07 04** – Additional Insured – Engineers, Architects, Or Surveyors
- **CG 20 10 07 04** – Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization
- **CG 20 26 07 04** – Additional Insured – Designated Person Or Organization
- **CG 20 28 07 04** – Additional Insured – Lessor Of Leased Equipment
- **CG 20 31 07 04** – Additional Insured – Engineers, Architects Or Surveyors
- **CG 20 32 07 04** – Additional Insured – Engineers, Architects Or Surveyors Not Engaged By The Named Insured
- **CG 20 33 07 04** – Additional Insured – Owners, Lessees Or Contractors – Automatic Status When Required In Construction Agreement With You
- **CG 20 34 07 04** – Additional Insured – Lessor Of Leased Equipment – Automatic Status When Required In Lease Agreement With You
- **CG 20 37 07 04** – Additional Insured – Owner, Lessees Or Contractors – Completed Operations

When any of the above references endorsements are attached to your policy, there is coverage for a person or organization that you name as an additional insured on your policy **ONLY** if the bodily injury, property damage or personal and advertising injury is caused in whole or in part by your acts or omissions or the acts or omissions of those working on your behalf.

There is **NO** coverage for the additional insured for bodily injury, property damage or personal and advertising injury caused entirely by any negligence that is not attributable to you or those acting on your behalf.

This may be a reduction in coverage in states where you are contractually permitted to hold harmless an additional insured for that additional insured's sole negligence or in states where courts have enabled coverage for the sole negligence of the additional insured.



COMMERCIAL GENERAL LIABILITY  
CG P 010 12 07

## 2007 GENERAL LIABILITY MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. This notice does not reference every editorial change made in the coverage form. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy or endorsements. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage are highlighted below. Also, the areas within the policy that do not impact coverage are highlighted below.

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### COVERAGE FORM CHANGES

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#### ***NO IMPACT IN COVERAGE***

#### **SUPPLEMENTARY PAYMENTS SECTION**

- CG 00 01 12 07** – Commercial General Liability Coverage Form (Occurrence Version)
- CG 00 02 12 07** – Commercial General Liability Coverage Form (Claims-made Version)
- CG 00 09 12 07** – Owners And Contractors Protective Liability Coverage Form – Coverage For Operations Of Designated Contractor
- CG 00 33 12 07** – Liquor Liability Coverage Form (Occurrence Version)
- CG 00 34 12 07** – Liquor Liability Coverage Form (Claims-made Version)
- CG 00 35 12 07** – Railroad Protective Liability Coverage Form
- CG 00 37 12 07** – Products/Completed Operations Liability Coverage Form (Occurrence Version)
- CG 00 38 12 07** – Products/Completed Operations Liability Coverage Form (Claims-made Version)
- CG 00 39 12 07** – Pollution Liability Coverage Form Designated Sites
- CG 00 40 12 07** – Pollution Liability Limited Coverage Form Designated Sites
- CG 00 65 12 07** – Electronic Data Liability Coverage Form
- CG 00 66 12 07** – Product Withdrawal Coverage Form

The Supplementary Payments Section in your policy provides coverage for your defense costs with respect to any claim we investigate or settle, or any suit against you that we defend. The Supplementary Payments Section has been revised to reinforce that coverage is provided for court costs taxed against you, but this section does not provide coverage for plaintiff's attorneys' fees or attorneys' expenses taxed against you.

While this change is considered to be a reinforcement of coverage intent, it may result in a decrease in coverage in jurisdictions where courts have ruled that plaintiff's attorneys' fees or attorneys' expenses taxed against the insured can be levied as a supplementary payment.

**INFRINGEMENT OF COPYRIGHT, PATENT, TRADEMARK OR TRADE SECRET EXCLUSION**

**CG 00 01 12 07** – Commercial General Liability Coverage Form (Occurrence Version)

**CG 00 02 12 07** – Commercial General Liability Coverage Form (Claims-made Version)

**CG 00 65 12 07** – Electronic Data Liability Coverage Form

The Infringement Of Copyright, Patent, Trademark Or Trade Secret Exclusion in your policy has been revised to reinforce that the exclusion does **not** apply to coverage for personal and advertising injury arising out of infringement of other intellectual property rights involving the use of another's advertising idea in your advertisement.

**DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES EXCLUSION**

**CG 00 01 12 07** – Commercial General Liability Coverage Form (Occurrence Version)

**CG 00 02 12 07** – Commercial General Liability Coverage Form (Claims-made Version)

Previously, this exclusion was added to your policy via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003 or any other similar statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information. This exclusion has now been incorporated directly into your policy.

**LIQUOR LIABILITY**

**CG 00 33 12 07** – Liquor Liability Coverage Form (Occurrence)

**CG 00 34 12 07** – Liquor Liability Coverage Form (Claims-made)

The definition of "injury" in your policy has been revised to reinforce that coverage is provided for bodily injury or property damage, as well as any related care, loss of services or loss of support.

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**MULTISTATE ENDORSEMENTS**

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***BROADENINGS IN COVERAGE*****Existing Endorsements**

**CG 22 60 12 07** – Limitation Of Coverage – Real Estate Operations

When this revised endorsement is attached to your policy, coverage is provided for injury and damage arising out of the ownership, operation, maintenance or use of premises listed **or shown** by you. The addition of the words "or shown" accommodates real estate agents who provide real estate professional services for properties shown but not listed by such agents.

**CG 22 93 12 07** – Lawn Care Services Coverage

When this revised endorsement is attached to your policy, insureds who apply herbicides/pesticides on lawns under their regular care are now provided bodily injury and property damage coverage.



## **New Endorsements**

### **CG 22 92 12 07 – Snow Plow Operations Coverage**

When this endorsement is attached to your policy, coverage is provided for bodily injury and property damage arising out of snow plow operations performed by an auto.

### **CG 24 16 12 07 – Canoes Or Rowboats**

When this endorsement is attached to your policy, coverage is provided for bodily injury and property damage arising out of the operation of any canoe or rowboat owned or used by or rented to you.

## ***REDUCTIONS IN COVERAGE***

### **Existing Endorsements**

**CG 21 47 12 07 – Employment-related Practices Exclusion (For Use With Commercial General Liability Coverage Forms)**

**CG 29 51 12 07 – Employment-related Practices Exclusion (For Use With The Owners And Contractors Protective Liability And Pollution Liability Coverage Forms)**

The Employment-related Practices Exclusion is revised to reinforce that, when these endorsements are attached to your policy, coverage is not provided for any injury to a person associated with the employment of that person, whether it occurs before employment, during employment or after employment of that person. Additionally, the exclusion is revised to reinforce that coverage does not apply for injury to a person caused by the malicious prosecution of that person.

While these changes are each a reinforcement of coverage intent, they may result in a decrease in coverage in jurisdictions where courts have ruled the exclusion to be inapplicable in employment-related malicious prosecution claims and/or post-employment claims. For that reason, out of caution, we are listing it as a decrease.

### **New Endorsements**

### **CG 21 97 12 07 – Abuse Or Molestation Exclusion – Specified Professional Services**

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of the actual or threatened abuse or molestation of a person while in the care, custody or control of any insured, during the rendering of the specified professional service.

**CG 21 98 12 07 – Total Pollution Exclusion Endorsement (For Use With The Products/Completed Operations Coverage Forms)**

When this endorsement is attached to your policy, coverage is not provided for bodily injury or property damage (including any loss, cost or expense) arising out of any pollution exposure.



**COMMERCIAL GENERAL LIABILITY**  
**CG 00 01 04 13**

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".



**2. Exclusions**

This insurance does not apply to:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
  - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".





- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Recording And Distribution Of Material Or Information In Violation Of Law**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or



- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

#### **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**

##### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
- No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.
- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

##### **2. Exclusions**

This insurance does not apply to:

###### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

###### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

###### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

###### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

###### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

###### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

###### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

###### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".



**i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

**j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**p. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**COVERAGE C – MEDICAL PAYMENTS****1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
  - (1) On premises you own or rent;
  - (2) On ways next to premises you own or rent; or
  - (3) Because of your operations; provided that:
    - (a) The accident takes place in the "coverage territory" and during the policy period;
    - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
    - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
  - (1) First aid administered at the time of an accident;
  - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
  - (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

- 1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
  - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
  - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.



- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
      - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - (c) Notify any other insurer whose coverage is available to the indemnitee; and
      - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (2) Provides us with written authorization to:
      - (a) Obtain records and other information related to the "suit"; and
      - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
  - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.



2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by; you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Coverage **C**;
- b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
- c. Damages under Coverage **B**.



3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage **A**; and
  - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
  - (2) Authorize us to obtain records and other information;
  - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
  - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.



#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

##### b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;



- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

#### 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

#### 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

#### 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

### SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
  - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;
 provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
  - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.



9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.





As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
  - (2) The providing of or failure to provide warnings or instructions.
- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

COMMERCIAL GENERAL LIABILITY  
AP 00 07 02 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT - NON CUMULATION OF EACH  
OCCURRENCE LIMIT AND NON CUMULATION OF  
PERSONAL AND ADVERTISING INJURY LIMIT**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. Paragraph 5. of SECTION III - LIMITS OF INSURANCE is amended to include the following:

Non cumulation of Each Occurrence Limit - If one "occurrence" causes "bodily injury" or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".

2. Paragraph 4. of SECTION III - LIMITS OF INSURANCE is amended to include the following:

Non cumulation of Personal and Advertising Injury Limit - If "personal and advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal and advertising injury".

COMMERCIAL GENERAL LIABILITY  
AP 00 08 02 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ALL EXPOSURE RELATED TO CONVERSION OF USE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any:

1. Construction;
2. Renovation;
3. Remodeling;
4. Restoration;
5. Rehabilitation; or
6. Any other operation

whose purpose is to convert all or part of the covered premises to a condominium, townhouse or other similar owner-occupied dwelling.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ASBESTOS**

This endorsement modifies insurance provided under the following:  
COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

**Asbestos**

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of asbestos.
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, asbestos.
3. Any loss, cost or expense arising, in whole or in part, out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos; or
  - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability:**

This insurance does not apply to:

**Asbestos**

1. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, asbestos.
2. Any loss, cost or expense arising, in whole or in part, out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos; or
  - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos.

**COMMERCIAL GENERAL LIABILITY**  
**AP 00 10 02 08**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – LEAD**

This endorsement modifies insurance provided under the following:  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

- A. The following exclusion is added to **Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:

This insurance does not apply to:

**Lead**

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of lead, paint containing lead, or any other material or substance containing lead.
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, lead, paint containing lead, or any other material or substance containing lead.
3. Any loss, cost or expense arising, in whole or in part, out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead, paint containing lead, or any other material or substance containing lead; or
  - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, paint containing lead, or any other material or substance containing lead.

- B. The following exclusion is added to **Paragraph 2., Exclusions of Section I – Coverage B – Personal and Advertising Injury Liability**:

This insurance does not apply to:

**Lead**

1. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, lead, paint containing lead, or any other material or substance containing lead.
2. Any loss, cost or expense arising, in whole or in part, out of any:
  - a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, lead, paint containing lead, or any other material or substance containing lead; or
  - b. Claim or "suit" by or on behalf of any person, organization or governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, lead, paint containing lead, or any other material or substance containing lead.

**THIS ENDORSE**



legionella, hepatitis, measles, meningitis, mononucleosis, whooping cough, cholera, bubonic plagues and anthrax.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## TEXAS CHANGES

CG 01 03 06 06

POLICY NUMBER: HHC 2000240 01

COMMERCIAL GENERAL LIABILITY  
CG 20 26 04 13**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****ADDITIONAL INSURED – DESIGNATED  
PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE****Name Of Additional Insured Person(s) Or Organization(s):**

Cantor Commercial Real Estate Lending, L.P. ISAOA ATIMA  
110 East 59th Street, 6th Floor  
New York, NY 10022

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



POLICY NUMBER: HHC 2000240 01

COMMERCIAL GENERAL LIABILITY

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION - ATHLETIC OR SPORTS PARTICIPANTS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

### **SCHEDULE**

**Description of Operations:**

Any and all operations conducted by the named insured.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any operations shown in the Schedule, this insurance does not apply to "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

COMMERCIAL GENERAL LIABILITY  
CG 21 06 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF  
CONFIDENTIAL OR PERSONAL INFORMATION AND  
DATA-RELATED LIABILITY – WITH  
LIMITED BODILY INJURY EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**2. Exclusions**

This insurance does not apply to:

**p. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

COMMERCIAL GENERAL LIABILITY  
CG 21 36 03 05

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCL**





**COMMERCIAL GENERAL LIABILITY  
CG 21 47 12 07**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**COMMERCIAL GENERAL LIABILITY  
CG 21 70 01 15**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.



— B —  
21 76 01 08

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and







POLICY NUMBER:HHC 2000240 01

COMMERCIAL GENERAL LIABILITY  
CG 22 45 04 13**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION – SPECIFIED THERAPEUTIC OR  
COSMETIC SERVICES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE****Description Of Operations:**

Tanning Beds

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** and Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

With respect to any operation shown in the Schedule, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy.

**COMMERCIAL GENERAL LIABILITY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**REAL ESTATE PROPERTY MANAGED**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

This insurance does not apply to "property damage" to property you operate or manage or as to which you act as agent for the collection of rents or in any other supervisory capacity.

With respect to your liability arising out of your management of property for which you are acting as real estate manager this insurance is excess over any other valid and collectible insurance available to you.

COMMERCIAL GENERAL LIABILITY  
CG 22 76 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PROFESSIONAL LIABILITY EXCLUSION –  
HEALTH OR EXERCISE CLUBS OR COMMERCIALY  
OPERATED HEALTH OR EXERCISE FACILITIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,  
**Exclusions of Section I – Coverage A – Bodily  
Injury And Property Damage Liability** and Para-  
graph 2., **Exclusions of Section I – Coverage B –  
Personal And Advertising Injury Liability:**

This insurance does not apply to "bodily injury",  
"property damage" or "personal and advertising  
injury" arising out of the rendering of or failure to  
render any service, treatment, advice or instruction  
relating to physical fitness, including services or  
advice in connection with diet, cardio-vascular fit-  
ness, body building or physical training programs.



POLICY NUMBER:HHC 2000240 01

COMMERCIAL GENERAL LIABILITY  
CG 24 07 01 96

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### **SCHEDULE**

**Description of Premises and Operations:**

Per CG DS 01

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph **a.** of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a.** Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

COMMERCIAL GENERAL LIABILITY  
CG 24 10 07 98

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCESS PROVISION – VENDORS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

When you are added to a manufacturer's or distributor's policy as an additional insured because you are a vendor for such manufacturer's or distributor's products, Paragraph 4., **Other Insurance of Conditions (Section IV)** is amended by the addition of the following:

The coverage afforded the insured under this Coverage Part will be excess over any valid and collectible insurance available to the insured as an additional insured under a policy issued to a manufacturer or distributor for products manufactured, sold, handled or distributed.

POLICY NUMBER: HHC 2000240 01

COMMERCIAL GENERAL LIABILITY  
CG 25 04 03 97**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DESIGNATED LOCATION(S)  
GENERAL AGGREGATE LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE****Designated Location(s):** Per CG DS 01

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C** regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
  4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.



- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A** (SECTION I), and for all medical expenses caused by accidents under **COVERAGE C** (SECTION I), which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Limits Of Insurance (SECTION III) not otherwise modified by this endorsement shall continue to apply as stipulated.

B  
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This endorsement modifies insurance provided under the following:

#### COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2.,  
 "Bodily injury" of Section 1 - Coverage A - Bodily  
 injury and property damage

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and

- (3) To any obligation to share damages with or to repay someone else who must pay damages because of the injury.

- B. The following exclusion is added to Paragraph 2.,  
 "Personal and advertising injury" of Section 1 - Coverage A - Bodily  
 injury and property damage

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

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**B**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,  
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graph 2., ~~xcu o of ct o - ov r B -~~  
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This insurance does not apply to "bodily injury",  
"property damage" or "personal and advertising  
injury" arising out of:

1. The actual or threatened abuse or molestation by  
anyone of any person while in the care, custody  
or control of any insured, or

2. The negligent:

- . Employment;
- . Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure  
to so report; or
- . Retention;

of a person for whom any insured is or ever was  
legally responsible and whose conduct would be  
excluded by Paragraph 1. above.

For the purposes of this endorsement, abuse means  
an act which is committed with the intent to cause  
harm.



## ELECTRONIC DATA PROCESSING COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us," and "our" refer to the Company providing this Insurance.

Other words and phrases appearing in quotation marks have special meaning. Refer to SECTION VIII DEFINITIONS.

### SECTION I - COVERAGES

#### A. EDP EQUIPMENT AND MEDIA

We will pay for direct physical "loss" to Covered Property at locations described in this Coverage Part's Declarations or in due course of transit. The "loss" must occur within the Coverage Territory and be caused by or result from any of the Covered Causes of Loss.

#### B. DUPLICATE MEDIA

We will pay for direct physical "loss" to back-up and duplicates of "EDP media" at locations away from your "premises". This coverage does not apply to any property listed under B. of SECTION II PROPERTY or property in due course of transit.

#### C. NEWLY ACQUIRED PREMISES

1. We will pay for direct physical "loss" to Covered Property at "premises" not described in this Coverage Part's Declarations. The "loss" must occur within the Coverage Territory and be caused by or result from any of the Covered Causes of Loss.
2. This coverage applies for a period that:
  - a. Begins on the date you acquired the "premises" ; and
  - b. Ends when any of the following occurs:
    - (1) This policy expires;
    - (2) Sixty days pass since the date you acquired the "premises" ; or
    - (3) You report the newly acquired "premises" to us.
3. We may adjust the rate for property at the newly acquired "premises." You must pay us any additional premium that may result.

#### D. NEWLY ACQUIRED PROPERTY

1. We will pay for direct physical "loss" to newly acquired property that is like the property covered by this Coverage Part. The "loss" must occur within the Coverage Territory and be caused by or result from any of the Covered Causes of Loss.

2. This coverage applies for a period that:

- a. Begins on the date you acquired the property; and
- b. Ends when any of the following occurs:
  - (1) This policy expires;
  - (2) Sixty days pass since the date of acquisition or
  - (3) You report the newly acquired property to us (including values).
3. We will charge you an additional premium (which you must pay) for values reported from the date you acquired the property.

#### E. PRESERVATION OF PROPERTY

1. We will pay for direct physical "loss" to Covered Property removed from your "premises" because it was in imminent danger of "loss" by a Covered Cause of Loss.
2. This coverage applies while the Covered Property is:
  - a. Being removed from your "premises" and taken to a safe place.
  - b. At a safe place away from your "premises."
  - c. Being returned to your "premises" from the safe place.

Furthermore, this coverage applies only if the "loss" occurs within the Coverage Territory and within thirty days after the date when the property was removed from your "premises."
3. Payment for "loss" under this coverage will be subject to, not in addition to, the Limits of Insurance applying to the "premises" from which the property was first removed.

#### F. DEBRIS REMOVAL

1. We will pay your debris removal expenses only if you report the expenses to us in writing within 180 days of the date of direct physical "loss."
2. Debris removal expenses are amounts incurred to remove debris of Covered Property. The debris must result directly from "loss" to Covered Property by any of the Covered Causes of Loss. Debris removal expenses do not include any amounts incurred to:
  - a. Extract "pollutants" or contaminants from land, water, or other property.
  - b. Cleanup, remove, restore, or replace polluted land, water, or other property.

#### G. POLLUTANTS AND CONTAMINANTS

1. We will pay your pollutant cleanup expenses only if:
  - a. You report the pollutant cleanup expenses to us in writing within 180 days of the date of direct physical "loss" ; and



- b. The discharge, dispersal, seepage, migration release, or escape of the "pollutants" or contaminants is caused by or results from direct physical "loss" to Covered Property from a Covered Cause of Loss that occurs during the policy period.
- 2. Pollutant cleanup expenses are amounts that are incurred:
  - a. To extract, remove, or clean up "pollutants" or contaminants from land, water, or other property.
  - b. To remove, restore, or replace polluted or contaminated land, water, or other property.

#### H. FIRE PROTECTION SYSTEM RECHARGE

- 1. We will pay the costs of refilling your automatic halon or carbon dioxide discharge systems that protect "EDP equipment."
- 2. This coverage applies if:
  - a. There was an intentional discharge to control or reduce "loss" by fire, or
  - b. There was a discharge caused by or resulting from direct physical "loss" to the system by any of the Covered Causes of Loss.

It does not apply if the "loss" or discharge occurs while the system is being installed, repaired, recharged, or tested.

#### I. BUSINESS INCOME

- 1. We will pay the actual loss of "business income" that you sustain during the "period of restoration" because of the necessary suspension of your "normal" "operations." The suspension must be caused by or result from direct physical "loss" to Covered Property.
- 2. We will pay for the actual loss of "business income" that you sustain if you cannot occupy your "premises" because of direct physical "loss" to the building or property within the building where your "premises" are located. This coverage applies only to the actual loss of "business income" incurred during the time you cannot enter your "premises."
- 3. We will pay for the actual loss of "business income" that you sustain if an act of civil authority prohibits access to your "premises." This coverage applies:
  - a. If the action was taken because of direct physical "loss" to property adjacent to your "premises."
  - b. To the actual loss of "business income" incurred while access is denied but not exceeding two consecutive weeks from the date access was prohibited.
- 4. We will reduce the amount of the actual loss of "business income" that you sustain to the extent you can resume "operations," in whole or in part, by:

- a. Using damaged or undamaged property.
- b. Restoring Covered Property to workable order.
- c. Using other available equipment, supplies, or other property.

"Loss" must occur within the Coverage Territory and be caused by or result from any of the Covered Causes of Loss.

#### J. EXTRA EXPENSE

- 1. We will pay for the necessary "extra expense" you incur during the "period of restoration" that you would not have incurred if there had been no direct physical "loss" to Covered Property.
- 2. We will pay for the necessary "extra expense" that you incur if you cannot occupy your "premises" because of direct physical "loss" to the building or property within the building where your "premises" are located. This coverage applies only to the necessary "extra expense" incurred during the time you cannot enter your "premises."
- 3. We will pay for the necessary "extra expense" that you sustain if an act of civil authority prohibits access to your "premises." This coverage applies:
  - a. If the action was taken because of direct physical "loss" to property adjacent to your "premises."
  - b. To the necessary "extra expense" incurred while access is denied but not exceeding two consecutive weeks from the date access was prohibited

"Loss" must occur within the Coverage Territory and be caused by or result from any of the Covered Causes of Loss.

#### SECTION II-COVERED PROPERTY

##### A. Covered Property, as used in this Coverage Part, means:

- 1. Each item of "EDP equipment" or "EDP media" that is specifically described (including a Limit of Insurance) in a Schedule of Covered Property form attached to this Coverage Part.
- 2. All "EDP equipment" or "EDP media" not specifically described in a Schedule of Covered Property form attached to this Coverage Part.

The foregoing is Covered Property if it belongs to you or if it belongs to others and you are legally responsible for "loss" to it.

##### B. Covered Property does not include:

- 1. Accounts, bills, deeds, evidences of debt, valuable papers, records, abstracts, manuscripts, or other similar documents or records.  
But we do cover this property if it is in a form usable in electronic data-processing equipment.



2. Any property or "EDP media" leased or rented to others while it is away from your "premises."
3. Any property that is part of aircraft, automobiles, marine vessels, motorcycles, trucks, trailers, watercraft or other vehicles designed to transport people or property.
4. Contraband.
5. Copiers or electronic typewriters.
6. "EDP equipment" or "EDP media" that you decide not to insure and which is listed in the Declarations.
7. Improvements or betterments.
8. Property in the course of illegal transportation or trade.

### SECTION III - COVERED CAUSES OF LOSS

Covered Causes of Loss, as used in this Coverage Part, means RISKS OF DIRECT PHYSICAL LOSS (including "viruses," "trojan horses," and "worms") unless the "loss" is excluded or limited by other provisions of this Coverage Part.

### SECTION IV- EXCLUSIONS

A. We will not pay for "loss" or expense caused directly or indirectly by or resulting from any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

#### 1. Earth Movement

Earthquake, landslide, erosion, mud-slide, mudflow, subsidence, volcanic action, or any other kind or type of earth movement.

This exclusion does not apply to property in transit.

#### 2. Governmental Action

a. Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

b. The enforcement of any ordinance, law, rule, or ruling that requires the extraction, removal, cleanup, or restoration of environmental damage or "pollutants."

#### 3. Nuclear Hazard

a. Any weapon employing atomic fission or fusion, or

b. Nuclear reaction or radiation, or radioactive contamination from any other cause.  
But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form

#### 4. Ordinance of Law

The enforcement of any law, ordinance, regulation, or order that:

- a. Prohibits, regulates, or restricts the alteration, construction, installation, repair, or use of any property.
- b. Regulates or requires the tearing down or demolition of any property, including the cost of removing its debris.  
But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

#### 5. War and Military Action

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign power, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. We will not pay for any "loss" caused by or resulting from:

1. Any error in machine programming or instructions to machines.
2. Delay, loss of market, loss of use, or consequential loss of any kind.
3. Dishonest or criminal acts committed by any of the following, including their employees, agents, or authorized representatives. Dishonest acts include intentional destruction, falsification, or modification of records, data, or software to conceal dishonest acts.
  - a. You, your partners, officers, directors, or trustees;
  - b. Anyone else entrusted with property, or
  - c. Anyone else with an interest in property.
 This exclusion applies whether or not such persons act alone or in collusion with other persons or such acts occur during the hours of employment. This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered. Also, this exclusion does not apply to Covered Property that is entrusted to others who are public carriers for hire.
4. Operator or programmer error.
5. Processing or actual work upon Covered Property, meaning: repairing, adjusting, servicing, or other maintenance operation.  
But we will pay for resultant "loss" to Covered Property caused directly by fire or explosion.
6. The suspension, lapse, cancellation, repeal, revocation, or refusal of, or any delay in the granting of, any license, lease, permit, contract, or order.
7. Theft of facts, concepts, data, or information



without the theft of media on which this property is recorded.

8. Wear and tear, gradual deterioration, depreciation, hidden or latent defect, any quality in the property that causes it to damage or destroy itself.

#### SECTION V- LIMITS OF INSURANCE

- A. Under A. EDP Equipment and Media of SECTION I COVERAGES, the most we will pay for direct physical "loss" to all Covered Property in any one occurrence (regardless of whether one or more Causes of Loss contribute to such "loss") is the applicable Limit of Insurance shown in the Declarations. But the most we will pay for each specifically described item of Covered Property is the Limit of Insurance shown for it in the Schedule of Covered Property attached to this Coverage Part.
- B. The most we will pay for coverage provided under
  1. B. Duplicate Media of SECTION I - COVERAGES is the lesser of \$50,000 or 25% of the total Limit of Insurance shown in the Declarations for "EDP Media."
  2. C. Newly Acquired Premises of SECTION I COVERAGES is \$250,000 per occurrence per location where the "loss" occurs.
  3. D. Newly Acquired Property of SECTION I COVERAGES is the lesser of \$500,000 or 25% of the total Limit of Insurance shown in the Declarations for "EDP Equipment."
  4. F. Debris Removal of SECTION I - COVERAGES is the lesser of \$50,000 or 5% of the total Limit of Insurance shown in the Declarations for Covered Property. This is the most we will pay per occurrence per location where the "loss" occurs.
  5. G. Pollutants and Contaminants of SECTION I COVERAGES is \$10,000.
    - a. This limit applies to all your pollutant and cleanup expenses incurred during each separate twelve-month period of this policy; and
    - b. Loss Condition J., REINSTATEMENT OF LIMIT OF INSURANCE, in the Commercial Inland Marine Conditions form does not apply.
  6. H. Fire Protection System Recharge of SECTION I - COVERAGES is \$10,000 per occurrence.
- C. Under 1. Business Income of SECTION I COVERAGES, the most we will pay for the loss of "business income" that you sustain:
  1. Per month is the Monthly Fraction shown in the Declarations multiplied by the limit of insurance shown in the Declarations for Business Income. A month is each period of thirty consecutive days after direct physical "loss."

2. In any one occurrence is the limit of insurance shown in the Declarations for Business Income.

- D. Under J. Extra Expense of SECTION I - COVERAGES, the most we will pay for "Extra Expense" that you incur in any one occurrence is the limit of insurance shown in the Declarations for Extra Expense.

#### SECTION VI -DEDUCTIBLES

##### A. BUSINESS INCOME

The following applies to amounts payable under I. Business Income of SECTION I - COVERAGES. If the Business Income deductible shown in the Declarations is a:

1. Length of time, we will not pay for any loss of "business income" that you sustain during that period of time. The length of time begins on the date and time that your "normal" "operations" are interrupted.
2. Dollar amount, we will not pay for any loss of "business income" that you sustain until the amount of the adjusted loss (for Business Income) exceeds the deductible amount applicable to Business Income. We will then pay the actual loss of "business income" you sustain that is in excess of the deductible amount up to the applicable Limit of Insurance.

##### B. NO DEDUCTIBLE

No deductible applies to amounts payable under E. Extra Expense, F. Debris Removal, G. Pollutants and Contaminants, or G. Fire Protection System Recharge of SECTION I - COVERAGES.

##### C. OTHER COVERAGES

We will not pay for direct physical "loss" to Covered Property in any one occurrence until the amount of the adjusted "loss" exceeds the applicable Deductible amount shown in the Declarations. We will then pay the amount of the adjusted "loss" that is in excess of the applicable Deductible amount up to the applicable Limit of Insurance.

#### SECTION VII- REVISED AND ADDITIONAL, CONDITIONS

##### A. REVISED CONDITIONS

The Commercial Inland Marine Conditions and the Common Policy Conditions apply to this Coverage Part except as follows.

1. The following is added to Loss Condition C., DUTIES IN THE EVENT OF LOSS, in the Commercial Inland Marine Conditions. You must make every effort to return your business to "normal" "operations" as quickly as possible.



2. Loss Condition E., LOSS PAYMENT, in the Commercial Inland Marine Conditions is replaced by the following.

**Loss Payment**

- a. In the event of "loss" to Covered Property by a Covered Cause of Loss, at our option we may:

- (1) Take all or part of the property once we have paid for the "loss."
- (2) Pay the value of the lost or damaged Covered Property.
- (3) Replace the property with substantially identical property.
- (4) Pay the cost to repair, rebuild or restore the property to the condition it was in immediately before the "loss."

We will notify you of our intentions within thirty (30) days after we receive your signed sworn statement of loss.

- b. We will pay or make good any "loss" covered under this Coverage Part within thirty days after:

- (1) We reach agreement with you;
- (2) The entry of a final agreement; or
- (3) The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

- c. We will not pay for any increase in the cost of repairs or reconstruction because of any law, ordinance, regulation, permit, order, or license, which regulates construction or repair.

3. General Condition E., VALUATION, in the Commercial Inland Marine Conditions is replaced by the following.

**Valuation**

- a. The value of unscheduled "EDP media" will be the costs of reproducing the "EDP media." But we will pay only the cost of blank media if the "EDP media" that Sustained the "loss" is not replaced, reproduced, or duplicated.

The value of "EDP media" described in a schedule that is part of this Coverage Part will be the Limit of Insurance shown for the scheduled item.

But we will not pay more than the applicable Limit of Insurance.

- b. If Replacement Cost is indicated in the Declarations the value of "EDP equipment" will be the actual replacement cost (without deducting depreciation) of property that is like the property that sustained the "loss." If Actual Cash Value is indicated in the Declarations the value of "EDP equipment" will be the least of the following:

- (1) The actual cash value of the property.

- (2) The cost of reasonably restoring the property to its condition immediately before "loss."

- (3) The cost of replacing the property with substantially identical property.

But we will not pay more than the applicable Limit of Insurance.

In the event of "loss" the value of the property will be determined as of the date of "loss."

- c. We will figure the actual loss of "business income" that you sustain based on:

- (1) The Net Income of the business before the direct physical "loss" occurred;
- (2) The probable net Income of the business if no direct physical "loss" had occurred;
- (3) The operating expense, including payroll expense, that are necessary to resume "operations" with the same quality of service that existed prior to the direct physical "loss"; and
- (4) Other relevant sources of information, including:
  - (a) Your financial records and accounting procedures;
  - (b) Bills, invoices, and other vouchers; and
  - (c) Deeds, liens, or contracts.

**B. ADDITIONAL CONDITIONS**

**1. Coinsurance - Penalty**

All "EDP equipment" that is Covered Property must be insured for at least the Coinsurance Percentage shown in the Declarations times its value as of the date of "loss" or you will incur a penalty.

The penalty is that we will pay only a percentage of any adjusted "loss" as determined in the following steps:

- a. Step 1 – The applicable Limit of Insurance will be divided by the Coinsurance Percentage shown in the Declarations times the full value of the property as of the date of "loss."
- b. Step 2 – We will then multiply the amount of covered "loss" by the percent determined in Step 1 above.

This condition applies before the application of SECTION VI – DEDUCTIBLES.

**2. Constructive Total Loss**

There shall not be any constructive total loss under this Coverage Part.

**3. Coverage Territory**

Except as limited by other provisions of this Coverage Part, Coverage Territory means:

- a. The continental United States of America; and
- b. Canada.

But coverage is not provided within Alaska or in transit to or from Alaska.



**4. Minimum Premium**

If this Coverage Part is cancelled, we will keep at least the Minimum Premium amount shown in this Coverage Parts Declarations. This condition does not apply if this Coverage Part is cancelled as of its inception date.

**SECTION VIII – DEFINITIONS**

**A. "Business income" means:**

1. Net income (net profit or loss before income taxes) that would have been earned or incurred, and
2. Continuing "normal" operating expenses incurred, including payroll.

**B. "EDP equipment"** is all electronic property performing electronic data-processing or communication functions; for example, computer systems comprised of hardware, peripherals, cables, wiring, and other components that are part of the system. "EDP equipment" does not include any property that is "EDP media."

**C. "EDP media" is:**

1. All property on which data and programs are recorded and stored, such as diskettes, magnetic tapes, and cards. But this property does not include memory chips within Computers or its peripherals.
2. Facts, concepts, data, or instructions (including programs) converted to a form usable in electronic data-processing equipment.

**D. "Extra expense" means expenses incurred:**

1. To avoid or minimize the suspension of business and to continue "operations."
2. To minimize the suspension of business if you can not continue "operations."
3. To repair or replace Covered Property including costs to research, replace, or restore information on damaged "EDP media" that is Covered Property. We will pay these expenses only to the extent such expenses reduce the actual loss of "business income" that we would otherwise be liable for under this Coverage Part.

**E. "Flood of Surface Water" means:** flood, flash floods, surface water, waves, tides, tidewater, tidal waves, the rising or overflowing of any body of water, or their spray or runoff, all whether or not driven by wind.

**F. "Loss" means** accidental loss or damage.

**G. "Normal" means** the condition that would have existed had no "loss" incurred.

**H. "Operations" are** the type of business activities, pertaining to Covered Property, occurring at your "premises."

**I. "Period of restoration" begins** on the date "loss" occurs and ends on the date when damaged property should, with reasonable speed, be repaired, rebuilt, or replaced. "Period of restoration" does not include any increased period attributed to:

1. The enforcement of any law, ordinance, order, rule, or ruling that:
  - a. Prohibits, regulates, or restricts the alteration, construction, installation, operation, use, or repair of any property.
  - b. Requires the tearing down or demolition of any property.
  - c. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of, "pollutants."

**2. Delays in:**

- a. Rebuilding, repairing, or replacing property; or
- b. Resumption or continuation of "operations" ; resulting from interference by strikers or other persons.

**3. The suspension, lapse, cancellation, repeal, or refusal of, or any delay in the granting of, any license, lease, permit, contract, or order.**

**J. "Pollutants" means** any of the following that pollute land, air, water, or other property.

1. Solid, liquid, or semiliquid; or
2. Gaseous or thermal;

irritants or contaminants, including smoke, soot, vapor, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

**K. "Premises" means** that interior portion of a building, that you occupy for your business.

**L. "Trojan horses" are** any program that, when initially called for execution, immediately does some form of damage to a computer system.



- M. "Viruses" are any piece of computer code that replicates, reproduces, or propagates itself in its own image or, in the process of replication, reproduction, or propagation, may mutate. "Viruses" may contaminate or destroy data, programs, or computer operating systems
- N. "Worms" are programs that wait for a significant event (usually prescribed) to occur and then do some form of damage to a computer system.

COMMERCIAL INLAND MARINE  
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## COMMERCIAL INLAND MARINE CONDITIONS

### LOSS CONDITIONS

#### A. Abandonment

#### B. Appraisal

#### C. Duties In The Event Of Loss

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

#### D. Insurance Under Two Or More Coverages

#### E. Loss Payment

1.

2.

3.

4.

5. [REDACTED]

a. [REDACTED]

b. [REDACTED]

6. [REDACTED]

#### F. Other Insurance

1. [REDACTED]

2. [REDACTED]

#### G. Pair, Sets Or Parts

##### 1. Pair Or Set

[REDACTED]

a. [REDACTED]

b. [REDACTED]

##### 2. Parts

[REDACTED]

#### H. Recovered Property

[REDACTED]

#### I. Reinstatement Of Limit After Loss

[REDACTED]

#### J. Transfer Of Rights Of Recovery Against Others To Us

[REDACTED]

1. [REDACTED]

2. [REDACTED]

a. [REDACTED]

b. [REDACTED]

(1) [REDACTED]

(2) [REDACTED]

[REDACTED]

#### GENERAL CONDITIONS

##### A. Concealment, Misrepresentation Or Fraud

[REDACTED]

1. [REDACTED]

2. [REDACTED]

3. [REDACTED]

4. [REDACTED]

##### B. Control Of Property

[REDACTED]

[REDACTED]

##### C. Legal Action Against Us

[REDACTED]

1. [REDACTED]

2. [REDACTED]



D. No Benefit To Bailee

1. The policy does not provide for a benefit to the bailee of the property covered by the policy. The policy provides that the benefit is payable to the insured or the insured's estate.

E. Policy Period, Coverage Territory

1. The policy period is from the date of issuance to the date of termination.

2. The coverage territory is the United States and its territories and possessions.

F. Valuation

1. The valuation is based on the actual cash value of the property at the time of loss.

2. The policy does not provide for a benefit to the bailee of the property covered by the policy. The policy provides that the benefit is payable to the insured or the insured's estate.

3. The policy period is from the date of issuance to the date of termination.

4. The coverage territory is the United States and its territories and possessions.

COMMERCIAL INLAND MARINE  
CM 01 12 09 13**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL INLAND MARINE COVERAGE PART**

- A. Loss Condition B. Appraisal** in the Commercial Inland Marine Conditions is replaced by the following:
- B. Appraisal**
1. If we and you disagree on the value of the property or the amount of loss, either may make written demand, within 60 days after our receipt of a signed, sworn proof of loss, for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree for 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
    - a. Pay its chosen appraiser; and
    - b. Bear the other expenses of the appraisal and umpire equally.
  2. If there is an appraisal:
    - a. You will still retain your right to bring a legal action against us, subject to the provisions of the Legal Action Against Us Commercial Inland Marine Condition; and
    - b. We will still retain our right to deny the claim.
- B. Paragraph 8. of Loss Condition C. Duties In The Event Of Loss** in the Commercial Inland Marine Conditions is replaced by the following:
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 91 days after our request. We will supply you with the necessary forms.
- C. Paragraph 2. of General Condition C. Legal Action Against Us** in the Commercial Inland Marine Conditions is replaced by the following:
2. The action is brought within two years and one day from the date the cause of action first accrues. A cause of action accrues on the date of the initial breach of our contractual duties as alleged in the action.
- D. Paragraphs A.5.a. and A.5.b. of the Coverage Extensions and Section F. Definitions** in the Equipment Dealers Coverage Form are deleted.

POLICY NUMBER: HHC 2000240 01

COMMERCIAL INLAND MARINE  
CM DS 02 09 00**COMMERCIAL INLAND MARINE DECLARATIONS**EFFECTIVE DATE 08/26/2020

<b>COMPANY NAME</b> Colony Insurance Company	<b>PRODUCER NAME</b> Stuart Stagner/Programs Plus 9111 Cypress Waters Blvd Ste 350 Coppell, TX 75019
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**NAMED INSURED** Odessa Ventures LLC**MAILING ADDRESS** 1177 E. 24th Street  
Brooklyn, NY 11210**POLICY PERIOD:** From 08/26/2020 to 08/26/2021 at  
12:01 A.M. Standard Time at your mailing address shown above.**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS  
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.****Business Description:** Apartments**Premium for this Coverage Part** \$250 **Payable** \_\_\_\_\_**Forms applicable to the Commercial Inland Marine Coverage Part** \_\_\_\_\_  
(Show numbers)See Schedule of Forms and Endorsements**COUNTERSIGNED** \_\_\_\_\_ **BY** \_\_\_\_\_  
(Date) (Authorized Representative)